

JORDAN DISTRIBUTION

USA (incl. Alaska)	115	West Coast	8,000
Canada	250	France	125
Japan	1,000	Germany	150
UK	1,000	Italy	150
Spain	1,000	Sweden	150
Belgium	1,000	Switzerland	150
Portugal	1,000	Austria	150
Netherlands	1,000	Denmark	150
Finland	1,000	Poland	150
Czechoslovakia	1,000	Czech Republic	150
Slovakia	1,000	Hungary	150
Yugoslavia	1,000	Croatia	150
Slovenia	1,000	Bulgaria	150
Romania	1,000	Greece	150
Turkey	1,000	Israel	150
U.S.A. (incl. Alaska)	1,000	U.S.A. (incl. Alaska)	1,000
U.S.A. (incl. Alaska)	1,000	U.S.A. (incl. Alaska)	1,000

## Controls Tightened In Tibet

### China Sends In More Police, Restricts Travel

By Daniel Southard  
Washington Post Service

LEHSA, Tibet — Chinese authorities have introduced tight controls in Lhasa, sending in police reinforcements, setting up roadblocks and imposing a curfew following anti-Chinese rioting.

Several platoons of policemen were reported to have been flown into Lhasa over the past few days to support those already stationed in the Tibetan capital and to prevent further pro-independence demonstrations.

Meanwhile, airline officials in Chengde, China, the main point for flights to Lhasa, said Monday that for 10 days no new air tickets would be issued to foreigners wishing to visit Lhasa. No reason was given for the move.

The Chinese sealed off three Buddhist monasteries near Lhasa. Journalists trying to visit one of the monasteries were turned back at a roadblock by policemen.

Monks from these monasteries organized two demonstrations in the past eight days calling for Tibetan independence from China.

The Sera monastery on the northern outskirts of Lhasa was once noted for its warrior monks. A demonstration led by Sera monks in Lhasa on Oct. 1 turned violent, resulting in the deaths of at least six Tibetans.

After first claiming that most of the six casualties were police officers, Chinese officials in Lhasa now say six Tibetans were killed.

Tibetan sources say that 10 or more Tibetans were killed and that more than 40 monks were arrested. The demonstrators burned down a police station in central Lhasa.

Witnesses said the policemen, after holding back at first, panicked in the face of the stone-throwing crowd and fired repeatedly on unarmed demonstrators.

The controls over Lhasa appear to be aimed at preventing more demonstrations. Trouble is expected by some observers on Wednesday, the 37th anniversary of the Chinese Army's entrance into Tibet.

The tighter security measures seem to be approaching a state of martial law, although no judicial measures have been introduced of the type that would normally be associated with martial law.

The Chinese have not been able to prevent the underground circulation of leaflets and posters calling for united action against China.

"Ten people have been killed," See TIBET, Page 8

## Treaty Would Create Largest Free Market

### U.S.-Canada Agreement to Eliminate All Trade Tariffs by 1999 if Ratified

By Stuart Auerbach  
Washington Post Service

WASHINGTON — The sweeping free-trade agreement reached by the United States and Canada will create the world's largest open market, eliminating all tariffs between the countries by 1999 and easing other Canadian restrictions on a wide range of American products, U.S. officials have said.

President Ronald Reagan hailed the pact, reached minutes before a midnight deadline Saturday, "as an important model for other nations seeking to improve their trading relationships."

It was difficult to judge the treaty's full impact, because only a summary had been made available. But it was estimated, by advocates of the agreement, that it would increase the annual output of goods and services in the United States by \$12 billion to \$17 billion and create as many as 750,000 jobs.

The agreement must be approved by both the U.S. Congress and the Canadian Parliament.

The pact was reached after 16 months of hard bargaining that ended in two days of marathon,

cabinet-level negotiations. As recently as 11 days earlier, the treaty appeared doomed when Canadian officials walked away from the table. Just two hours before the deadline Saturday night, Canada's minister of trade, Patricia Carney, said

### NEWS ANALYSIS

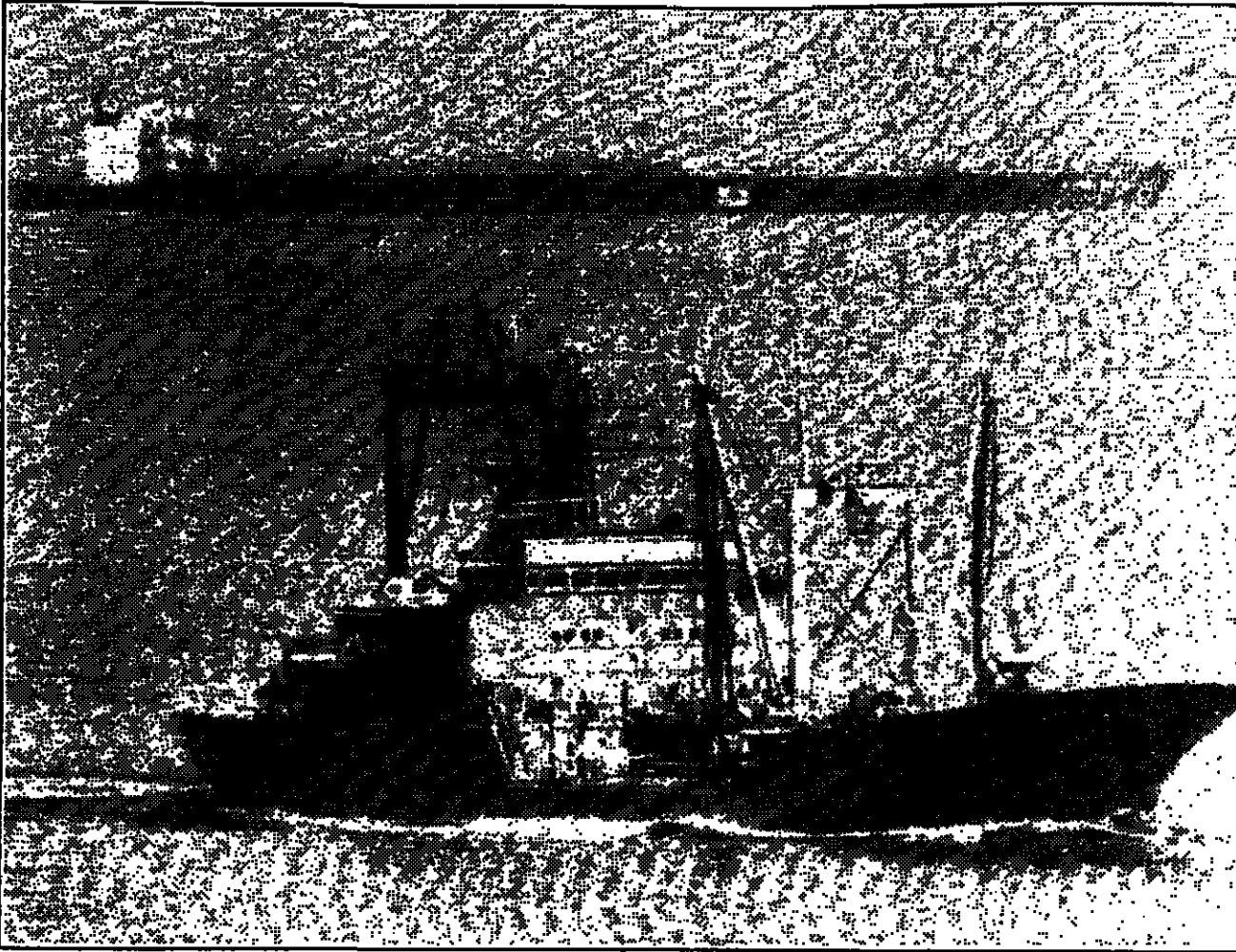
that each side was convinced there was no chance of agreement.

Mr. Reagan said the agreement "will provide enormous benefit for the United States. It will remove all Canadian tariffs, secure improved access to Canada's market for our manufacturing, agricultural, high technology and financial sectors, and improve our security through additional access to Canadian energy supplies."

The agreement addresses a major complaint of U.S. automakers and auto parts suppliers by blocking foreign auto companies, especially those in Japan and South Korea, from using Canada as a duty-free

See TRADE, Page 8

Many U.S. business leaders support the pact. Page 8.



An Iranian warship shadowing the Tokyo Maru, part of a convoy of Japanese tankers heading out of the Gulf.

## Missiles Strike Baghdad

### Iranian Attack Is Said to Kill Many Residents

Compiled by Our Staff From Dispatches  
BAGHDAD — Iran fired two missiles into the Iraqi capital Monday for the first time in nearly eight months. An Iraqi military spokesman said the second missile hit a residential area and there were "dead and injured" among the population.

At the same time, Iraqi warplanes attacked Iranian oil terminals in the Strait of Hormuz, damaging five tankers, shipping sources reported.

In Baghdad, people living near where the first missile struck told The Associated Press that they heard and felt a strong explosion at 10:07 P.M. They described it as similar to explosions in previous missile attacks.

Iran's official news agency, IRNA, filed an urgent dispatch under the headline "Thundering Missile Gives a Rude Awakening to Ba'athist Regime," a reference to Iraq's ruling Arab Ba'ath Socialist Party.

Iran fired two dozen Soviet-made Scud-B missiles into Baghdad late last year and early in 1987, the last on Feb. 13.

In the Iraqi attack on the Iranian oil terminal, the world's largest super-tanker and at least four other vessels were damaged, the shipping sources said.

Salvage executives in the Gulf region said that the 564,730-ton, Liberian-flagged Seawise Giant had numerous holes in its starboard tanks after the raid.

Shipping officials said about 15 tugboats were fighting a fire aboard the 256,263-ton Cypriot tanker Shining Star after the attack.

The executives said another tanker, the Liberian-registered, 237,311-ton World Admiral, had been hit but did not appear badly damaged.

Missiles also hit the 183,256-ton Panamanian-flag tanker Brazil Star, but the officials had no details of damage.

Iran uses the three vessels as storage tankers at the mouth of the Gulf for crude oil and products shuttled from its Kharg Island oil terminal in the north, which has been repeatedly raided by Iraq.

Iraq did not announce the attacks in the Strait, but it did say that waves of its jet fighters had raided two Iranian-held islands in the northern Gulf, Cyrus and Fars.

Fars, a tiny island 120 miles (about 200 kilometers) south of Kuwait, has a small oil facility but is better known as a base for Iran's Revolutionary Guards' hit-and-run speedboat raids against shipping. Cyrus is a small island 90 miles east of Kuwait.

The raids came as a convoy of loaded Japanese tankers headed for the mouth of the waterway after Tokyo shipping executives had suspended Gulf operations.

A Japanese official said nine tankers were leaving a Reuters photographer, Ulli Michel, said he had seen five tankers and a gas carrier 35 miles northeast of Dubai heading for the Strait of Hormuz.

Six Japanese vessels are waiting outside the Strait for the suspension to be lifted. Tokyo shipping officials say they expect this to happen within a few days if the convoy is not attacked.

In another development, American officials said that a U.S. Marine helicopter crashed Sunday near the U.S. Navy's command ship in the Gulf and that one of four crew members was missing.

No "hostile activity" was involved when the UH-1 helicopter crashed while conducting night operations, the U.S. Central Command said in a statement issued in Washington.

Forty-three Americans are confirmed to have been killed since the start of the U.S. naval buildup in the Gulf earlier this year.

See MISSILES, Page 8

## Sikh vs. Sikh: Fear Brings an Eerie Peace to the Golden Temple

By Steven R. Weisman  
New York Times Service

AMRITSAR, India — The Sikh religion's holiest shrine, which used to bustle with thousands of worshippers, sits quiet and nearly empty here. Sikhs and others say fear keeps them away.

Beyond the walls of the immense Golden Temple, throughout the state of Punjab, violence involving suspected Sikh terrorists has reached a new high. More than 550 people have been listed as killed in the last four months, almost as many as in all of 1986. In a major change, most of the killings have been committed by Sikh extremists against other Sikhs.

The eerie peace inside the temple and the turmoil outside are symbols of a crisis

widely seen as continuing to pose the most serious threat to Indian national unity. With no end to the violence in sight, officials, politicians, religious leaders and many Sikhs say the sense of helplessness has increased this year in Punjab, where most of India's 15 million Sikhs live.

"The thinking of Sikhs has changed," said Professor Darshan Singh Ragi, one of five head priests at the Golden Temple. "They are becoming disgusted by this killing of Sikhs by Sikhs. They now have this awakening that they should not clash among themselves."

Although they constitute only 2 percent of India's population, Sikhs have contributed enormously to the nation's agriculture, business and the military.

Now many people fear that a religious group long respected and even beloved throughout India is in danger of being increasingly seen by others as disloyal and untrustworthy.

Such a development would make the situation more intractable and send repercussions around the world, where groups of Sikhs are increasingly active in support of fellow Sikhs in India.

In addition to its other difficulties, Punjab, long India's most prosperous state and biggest agricultural producer, is facing tough times economically. A nationwide drought has cut the rice crop more than 20 percent, although the state still hopes to supply at least half of India's grain this year.

Unemployment has surged because the

ing of state boundary lines and other secular matters.

The complaints of radicals, however, are different, rising in large measure from the fear of many young fundamentalists that the religion is in danger of losing its identity. The first killings by radicals in the early 1980s were directed at fellow Sikhs accused of deviating from strict religious tenets.

Only after government crackdowns led to the arrest of innocent and guilty alike did all Sikhs unite in protest. Many moderates are reluctant to criticize the radicals, in part because they respect the extremists' sincerity but also because many say they fear retaliation.

Most analysts believe the major reason See SIKH, Page 8

## 3 More Senators Join Opposition to Bork

By Linda Greenhouse  
New York Times Service

WASHINGTON — The nomination of Judge Robert H. Bork appeared doomed Monday as the Senate Democratic leader, Robert C. Byrd, and three other previously uncommitted senators announced they would vote against his confirmation to the Supreme Court.

Senator Byrd called on President Ronald Reagan to withdraw the nomination "to save the court, to save Judge Bork and to save the country from the pain of going forward with it."

The West Virginia Democrat added at a news conference Monday: "I'm convinced this nomination is doomed."

Senator Byrd, who is also a member of the Judiciary Committee, said he would vote against Judge Bork when the committee votes Tuesday afternoon. That virtually ensures that the nomination will carry a negative recommendation when it goes to the full Senate, where Mr. Byrd said he would move for a vote as early as next week.

"The quicker the White House can be convinced of the wisdom of pulling this nomination down," he said, "the quicker we can get on with a nomination that can get approved."

As Senator Byrd was speaking at a news conference at the capitol, Senator John H. Chafee of Rhode Island, the third-ranking member of the Senate's Republican leadership, was in Providence announcing his decision to vote against Judge Bork, 60, who sits on the U.S. Court of Appeals for the District of Columbia.

In public Monday night, White

House aides echoed President Reagan's determination to push forward with Judge Bork's nomination.

"The word is, we fight on," an administration official said.

But in private, there was a growing sense of gloom inside the White House and an indication that the president might re-assess his adamant stand after the Judiciary Committee votes on the Bork nomination Tuesday.

"You've got to see, when the votes are cast, where people line up," an administration strategist said. "Then you go forward from there."

Although White House aides seemed increasingly resigned to Judge Bork's defeat, they did not express surprise at the trend.

"Nobody ever lost sight of the fact that it was going to be a tough fight," one strategist said. "We've known that from the beginning."

Byrd Decision a Surprise  
The Associated Press reported earlier from Washington:

The announcement by Mr. Byrd was a surprise because he had previously said he was undecided and suggested that the Judiciary Committee should report the nomination to the Senate floor without a recommendation of approval or disapproval. This would have allowed him and other panel members to hold off announcing how they would vote.

Earlier Monday, Dennis DeConcini, Democrat of Arizona, and Lowell P. Weicker Jr., Republican of Connecticut, said they would vote against the nominee.

President Reagan said he would See BORK, Page 8

## Kiosk 3 Remain Firm On EC Budget

BRUSSELS (Reuters) — Three countries resisting a compromise on the European Community's 1988 budget showed no sign Monday of accepting the latest proposals to break the deadlock.

Diplomats said Britain, Greece and Spain appeared to be sticking to their objections. Spain and Greece want the debate on next year's budget to produce much more cash for poorer regions; Britain is insisting that the Community can have no more money until spending has been reined in.

When the Reagan administration pulled out of UNESCO in 1984, it charged that the organization had been grossly mismanaged and had been anti-Western under the stewardship of Mr. M'Bow.

Britain and Singapore followed suit the next year, leaving UNESCO with a total loss of 30 percent of its \$150 million budget.

Mr. M'Bow, 66, told delegates last fall that he would refrain from soliciting another term in an effort to free the agency from such political controversy, according to an account of a closed meeting provided then by his spokesman, Doudou Diene.

This step was welcomed by U.S. and other officials as a statesmanlike gesture that would allow UNESCO to make the changes demanded by Washington and London as conditions for their return.

But last month Mr. M'Bow's home government in Dakar and the Organization of African Unity nominated him for re-election.

Reports in Paris said that Mr. M'Bow, the first African to head a major international organization, had lobbied African and Arab governments over the last year to secure their support.

France and several other major See UNESCO, Page 8



EGYPTIANS GO TO THE POLLS — Outside a polling station in a Cairo suburb, supporters of President Hosni Mubarak waited Monday for the president to arrive to vote in a referendum on giving him a second six-year term. Results in the referendum, in which 14.4 million voters were eligible, are to be announced Tuesday. Mr. Mubarak, 59, was the only candidate and had backing from across the country's political spectrum.

## Jesse Jackson Trying Hard to Put More Colors in His Rainbow

By Paul Taylor  
Washington Post Service

DES MOINES, Iowa — The Reverend Jesse L. Jackson peered over the lectern at an audience of 1,000 Iowa bankers and began with a confession. "I'm nervous to the bone," he said, feigning stage fright, "about appearing before such a rich and prosperous group."

No one believed him; no one was supposed to. The wall-to-wall grin gave it away.

Mr. Jackson was teasing away stereotypes, advertising ease and command in an unfamiliar setting — and getting right to the nub of the message that underpins his second bid as a Democratic candidate for the presidency.

The message is this: We may have preconceived notions of one another, we may be old adversaries, but we are all in this together now — all victims of structural changes in the world economy, of

corporate avarice and of a government that will not protect us from either.

"Everybody is the same color, in the dark," Mr. Jackson told them, delivering the coda of his 1988 campaign.

F. Scott Fitzgerald once wrote that there are no second acts in American lives. Mr. Jackson, who will formally declare for the Democratic nomination next Saturday, thinks otherwise. Ever since the end of his 1984 bid, he has been working to recast his image and broaden his base by shifting the locus of his grievances.

It no longer makes sense, he says on the stump, to dwell on "yesterday's fights" about racial injustice. Today's battleground is "economic violence," and its circle of victims is much wider.

"We need to redefine relationships," he told the bankers. "It's not liberal versus conservative, left versus right, or black versus white. It's the Darwinian

ethic of the big eating up the small."

In the 45 minutes of speech making and questions and answers that followed, Mr. Jackson painted an economic landscape filled with the "unchecked greed" of multinational corporations that export jobs to "slave labor" markets abroad; with the "huge profits and quick fixes" of the "big money center banks of the East and West Coast and Chicago" that recycle petrodollars into the pockets of foreign dictators; with military contractors that earn billions in profits but pay no taxes, and with a government more interested in deregulating the economy for the rich than in preventing the loss of 38 million jobs since 1973 and 482 bank failures since 1982.

"I submit to you, my friends, there is nothing wrong with the community banker," Mr. Jackson said. "There is something wrong with the system."

Economic populism is hardly the usual

luncheon fare at a bankers' convention, and Mr. Jackson's reviews afterward were mixed at best.

Ann F. Lewis, a friend and campaign adviser, says Mr. Jackson has been making the difficult passage from being seen as a "protest candidate" in 1984 to a "message candidate in 1988."

Nationwide polls suggest he is making a start in changing public perceptions. A Washington Post-ABC News survey taken late last month showed that his support remains predominantly monochromatic: 63 percent of black Democrats and only 10 percent of white Democrats back him for president.

According to a poll of 6,452 Southerners conducted in late September for The Atlanta Journal and Constitution, Mr. Jackson leads the Democratic field in the South. The New York Times reported from Atlanta

(Mr. Jackson, the poll said, held a sub-

stantial lead in 9 of the 12 states. Over all, he was favored by 27 percent of the 2,489 Democrats responding in the poll.)

But the data also showed that people's negative feelings toward Mr. Jackson are down by about one-third and that although he has not yet turned old antagonists into supporters, he is at least better positioned to get a hearing from them.

When political professionals point out that his standing is a function of his high name recognition in a field of unknowns, Mr. Jackson accepts the analysis but cannot resist tweaking those who would dismiss his achievement.

"They say I'm leading in New York because of high name recognition," he told a mostly black and Hispanic Labor Day rally in Brooklyn. "I'm leading in California because of high name recognition. I'm leading in North and South

See JACKSON, Page 8

Valentino's leather suit, part of the mini-revolution in Milan. Page 9.

Norway and West Germany clashed over the handling of NATO's search for a new secretary-general. Page 8.

BUSINESS/FINANCE  
The U.S. Supreme Court has cleared the way for some state-chartered banks to trade stocks and bonds. Page 11.  
Compagnie du Midi plans to buy France's biggest stockbrokerage. Page 13.  
Dow close: DOWN 0.81  
The dollar in New York: DOL \$: Yen FF 1.895 1.628 146.55 6.1275



WORLD BRIEFS

**MOTEL DU RHONE GENEVA**

A prestigious dwelling on the River Rhone Next to business and shopping center.

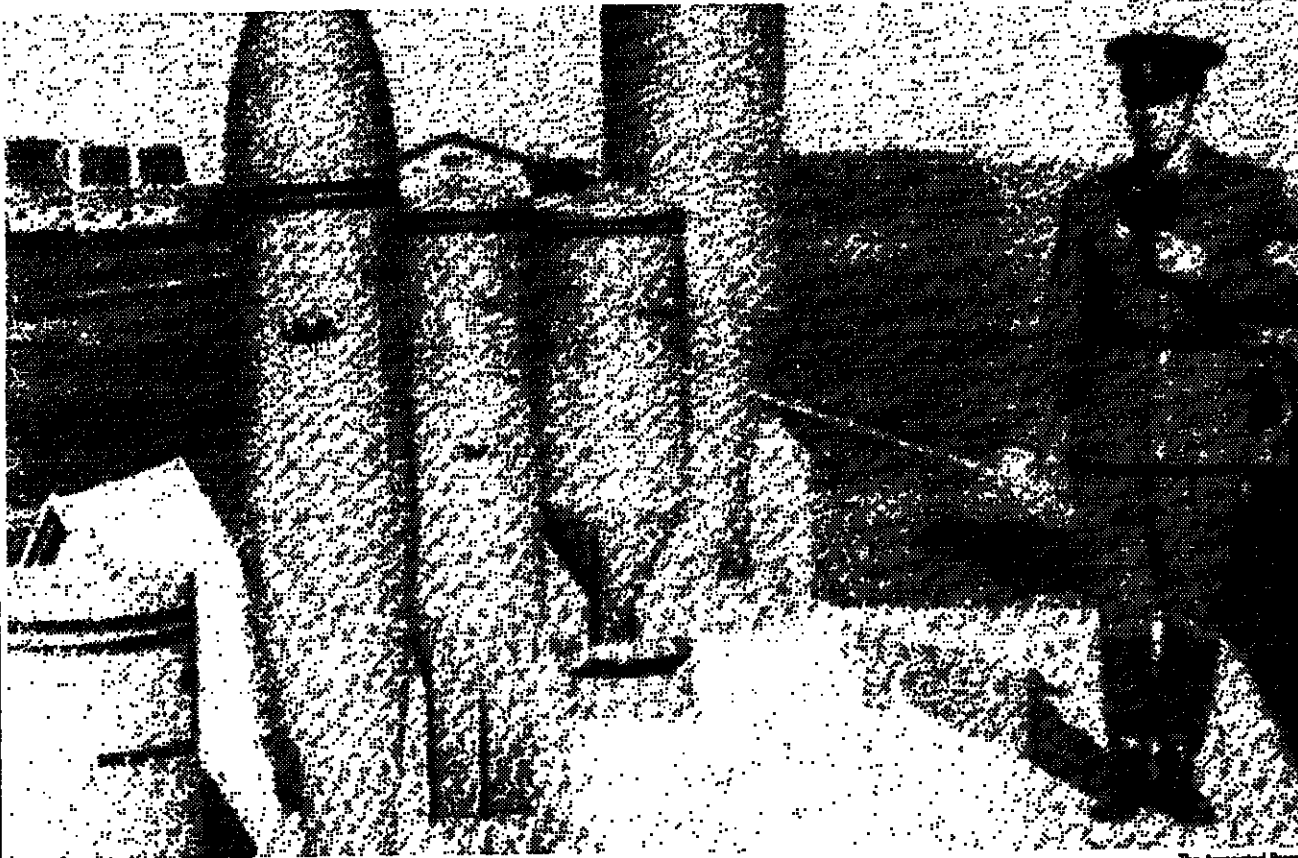
Quai Turrettini  
1201 Geneva  
Phone (022) 3198 31  
Tx 22213 hrho  
A member of HRI  
The Leading Hotels of the World

The flavour of an island in a single malt.



**Isle of Jura**  
SINGLE MALT SCOTCH WHISKY

# Soviet Says U.S. Chemical Arms Plan May Hurt Talks



A Soviet soldier explaining parts of Soviet chemical weapons at the Shikhanj military base.

By Celestine Bohlen  
Washington Post Service

MOSCOW — A Soviet general said Monday that U.S. plans to start producing binary weapons this year could jeopardize talks in Geneva for a multinational ban on chemical weapons.

Lieutenant General Anatoli Kuntsevich spoke at a news conference in Moscow after a group of 110 foreign experts from the Geneva conference on disarmament ended a weekend tour of a secret chemical weapons base at Shikhanj, on the Volga River, about 400 miles (650 kilometers) from Moscow.

The Soviet Union announced in April that it had halted chemical weapons production. The United States, which stopped production in 1969, is preparing to modernize its chemical arsenal starting in December with a program to produce binary weapons.

Binary weapons contain two chemical agents that become lethal only when combined.

"The U.S. binary program creates serious obstacles if it does not torpedo altogether the negotiations" in Geneva, General Kuntsevich said. He accused Washington of "starting a new spiral in the arms race."

Colonel General Vladimir Fikolov, commander of the Soviet chemical corps, also disputed U.S. claims that the Soviet chemical arsenal was significantly greater than the U.S. stockpile.

He said estimates of 300,000 tons of stockpiled chemical agents in the Soviet Union were preposterous. The two countries are close to parity, he said.

The Soviet military has said it will not give figures or locations on its stockpile until it is required to do so after a convention on chemical weapons is signed in Geneva.

The United States has not provided figures for its total stockpile, but the Defense Department has issued maps of the weapons' locations, providing characteristics of each stockpile.

Max L. Friedersdorf, chief U.S. representative at the talks in Geneva, rose from the audience at the news conference Monday to challenge Soviet assertions and defend U.S. policy, but his comments were ruled out of order since they were statements, not questions.

After the briefing, Mr. Friedersdorf said the U.S. military believed the 300,000-ton estimate for the Soviet stockpile was moderate. He said the Soviet accumulation was "six to seven" times the American arsenal. The U.S. stockpile has been estimated by a Scandinavian monitoring group at 30,000 tons.

The visit to Shikhanj, while not revealing any new information on the Soviet chemical weapons program, was regarded by observers as a significant step toward greater openness by the Soviet military.

The trip, which received broad attention in the Soviet media, has been portrayed as an initiative to speed up the Geneva negotiations.

Western diplomats at the Geneva talks say, however, that problems not related to the East-West debate continue to complicate the proposal to ban chemical weapons. They predicted that no agreement by the 40-nation conference would be ready before next year.

# In Drug Fight, Soviet Bans Growing of Poppies

United Press International

MOSCOW — The Soviet Union announced Monday a ban on growing poppies in an effort to wipe out opium plantations and curb rising drug addiction.

The government newspaper Izvestia said the ban included growing poppies for medicinal purposes.

"Taking into account the social importance of the measures against drug-using, the Ministry of Medi-

cine and Microbiology Industry of the U.S.S.R. decided to stop growing poppies in the country," Izvestia said.

"Opium poppy growth was stopped in 1974," Izvestia said, "but there are still problems."

The Soviet Union now imports 80 percent of the poppies it needs. Izvestia said that when poppy use is reduced, the same amount will be imported.

Information on the Soviet drug

problem has emerged in the press under Mikhail S. Gorbachev's policy of *glasnost*, or openness.

Radio Moscow's World Service reported in August that the number of drug addicts detained in 1986 in the country had increased by 50 percent.

The growing of poppies on collective farms was criticized Monday by G. Romanenko, deputy chairman of the State Committee

for Agriculture and Related Industries. The number of collective farms that grew poppies was reduced from 286 in 1986 to 41 in 1987. Poppy growth by individuals has long been banned.

"Now there will be none," Mr. Romanenko said.

Izvestia said the fight against drug abusers has involved night ambushes by the militia, but it said the new ban should put an end to "the last plantations."

# 10 Are Dead in Mediterranean Storms

BARCELONA (UPI) — Torrential rains and gale force winds have killed 10 people and left one person missing on Mediterranean coasts and islands, officials said Monday.

Highways were cut and railroad traffic was suspended across the three island of Majorca, lashed by heavy rains and winds up to 100 kilometers an hour (60 miles an hour) since Saturday. Officials said a West German tourist was missing from the northern beach resort of Calesa and an unidentified man was swept away by flood waters in the province of Barcelona on Monday. Storms killed four tourists on Majorca, three in Granada and two in Gerona on Sunday, officials said.

# Bonn Holds Woman in Weapons Deal

BONN (Reuters) — The West German authorities said Monday that they had arrested a 53-year-old woman on suspicion of trying to arrange illegal weapons sales worth more than \$1 billion.

Helmut Pathe, a prosecutor in the Ruhr valley city of Wuppertal, said the woman tried to sell 30 helicopters, 22 fighter planes, 200 tanks, 31 submarines and 2 frigates. He said she was arrested Sept. 28 in the town of Han and was being held in investigative custody, with no charges yet filed.

Mr. Pathe said the woman, whom he refused to identify, held West German and Argentine citizenship. He said prosecutors believed the woman belonged to an international organization dealing in U.S. French and Argentine weapons. The magazine Stern, which reported the arrest earlier Monday, said the weapons might have been destined for Iran.

# Talks to End Fiji's Crisis Founder

SUVA, Fiji (UPI) — Talks to end Fiji's political crisis collapsed Monday when the deposed Prime Minister, Imceceq Bavadra, refused to accept a demand by the coup leader, Colonel Sitiveni Rabuka, for constitutional changes to guarantee that native Melanesians rule over the island's majority ethnic Indians.

A spokesman for Mr. Bavadra, whose Indian-dominated government was toppled, said the former prime minister found Colonel Rabuka's proposals unacceptable.

The talks Monday also involved the governor-general, Ratu Sir Penaia Ganilau, and Kamasese Mara, a former prime minister who ruled the nation for 17 years after independence from Britain until Mr. Bavadra's election in April. Mr. Bavadra's spokesman said Mr. Mara had agreed to the colonel's demands for parliamentary dominance by Melanesians.

# 30 Die as Ferry Sinks Near Rangoon

RANGOON, Burma (AP) — A river ferry with about 400 people aboard sank near the Burmese capital Monday, and the bodies of 30 passengers have been recovered, officials said.

The officials said that 283 people were rescued and that others were believed still trapped inside the sunken vessel. The double-deck, diesel-powered ferry sank while approaching Rangoon in a light gale after a short voyage from the industrial town of Syriam.

# Talk of a Rightist Coalition in Manila

MANILA (Reuters) — Rightist opposition groups in the Philippines are preparing to take over from President Corazon C. Aquino if political turmoil forces her to step down, opposition sources said Monday.

They said an agreement had been reached in principle bringing together Vice President Salvador H. Laurel and the opposition leader Juan Ponce Enrile. It could also include some politicians identified with the exiled former president, Ferdinand E. Marcos, the sources said.

Mr. Laurel, the second highest elected official after Mrs. Aquino, would be the logical head of the alliance, they added. Mr. Enrile denied Monday that he had entered into an alliance with Mr. Laurel but hinted he was open to one. The possibility of an opposition alliance has loomed since Mr. Laurel broke away from Mrs. Aquino last month.

# France Expects More Basque Arrests

PARIS (UPI) — The French security minister, Robert Pandraud, said Monday that more arrests were expected in a crackdown on Spanish Basques operating in France.

"France will not be a refuge for terrorists," Mr. Pandraud said in a radio interview. He said that French police were planning more raids on Basque militants after 93 people were rounded up Saturday in southwestern France. Of these, 48 were expelled to Spain, 28 were being held in France and the rest were freed. They were suspected members of the Basque separatist group ETA, which has led a long terror campaign for an independent state in the region.

Mr. Pandraud said several of those arrested were members of the military wing of ETA, which is the Basque-language acronym for Basque Homeland and Liberty. He said plans were discovered for several "very precise" terrorist attacks against Spanish targets, such as military barracks and industrial sites.

# U.S. to Try to Get Accurate Count of AIDS Victims

LOS ANGELES — The federal Centers for Disease Control, after months of internal debate, is quietly mobilizing an ambitious plan to determine the number of Americans infected with the AIDS virus.

The nationwide project will focus on 20 high-risk metropolitan areas for acquired immune deficiency syndrome, including Los Angeles, San Francisco and New York City, and 10 low-risk areas for an intensive series of coordinated epidemiological surveys. The surveys are to begin before the end of the year.

The surveys are designed to improve upon the imprecise estimate that from one to two million Americans are infected with the AIDS virus and to shed further light on such questions as the risk of AIDS virus infection in the heterosexual population.

Blood samples will be collected at sites ranging from clinics for sexually transmitted diseases and drug treatment centers to hospitals, colleges and prisons.

The director of the Centers for Disease Control, Dr. James O. Mason, announced the new strategy in a conference telephone call Sept. 25 with state health officials and representatives of the designated metropolitan areas. Public announcement is being withheld until after planning meetings are held in Atlanta next week.

# U.K., Spain Resume Talks on Air Deal

MADRID (Reuters) — Britain and Spain resumed talks here Monday in an effort to reach agreement on a deal aimed at making air travel cheaper throughout Europe.

Diplomatic sources said negotiations would focus on the airport at Gibraltar, whose status is holding up a European Community agreement to liberalize air transport.

Laos and Cambodia have reopened a regular air service between their two capitals, the Lao press said Monday. The KPL press agency, in a dispatch monitored in Bangkok, said scheduled service would be operated between Vientiane and Phnom Penh every Friday.

A strike by Amtrak maintenance workers halted most of the railroad's service along the Boston-to-New York corridor Monday. R. Clifford Black, manager of public affairs for Amtrak, said the railroad would seek a temporary restraining order later Monday in Washington to require the union members to go back to work.

# Transport Workers Strike in Italy

ROME (Reuters) — Italian transport workers began a week of strikes Monday. They were expected to cause widespread disruption for travelers.

Pilots at the short-haul airline Alitalia struck for two hours and said they would strike daily until Sunday. Ais said it had canceled at least 24 domestic flights daily.

The three main trade union confederations have called for all airport ground staff to strike Friday. Rome will be without public transport Tuesday, and bus, tram and underground rail workers have called a national strike for Friday. The workers are demanding improved pay and better working conditions.

# TRAVEL UPDATE

U.S. to Try to Get Accurate Count of AIDS Victims

U.K., Spain Resume Talks on Air Deal

Transport Workers Strike in Italy

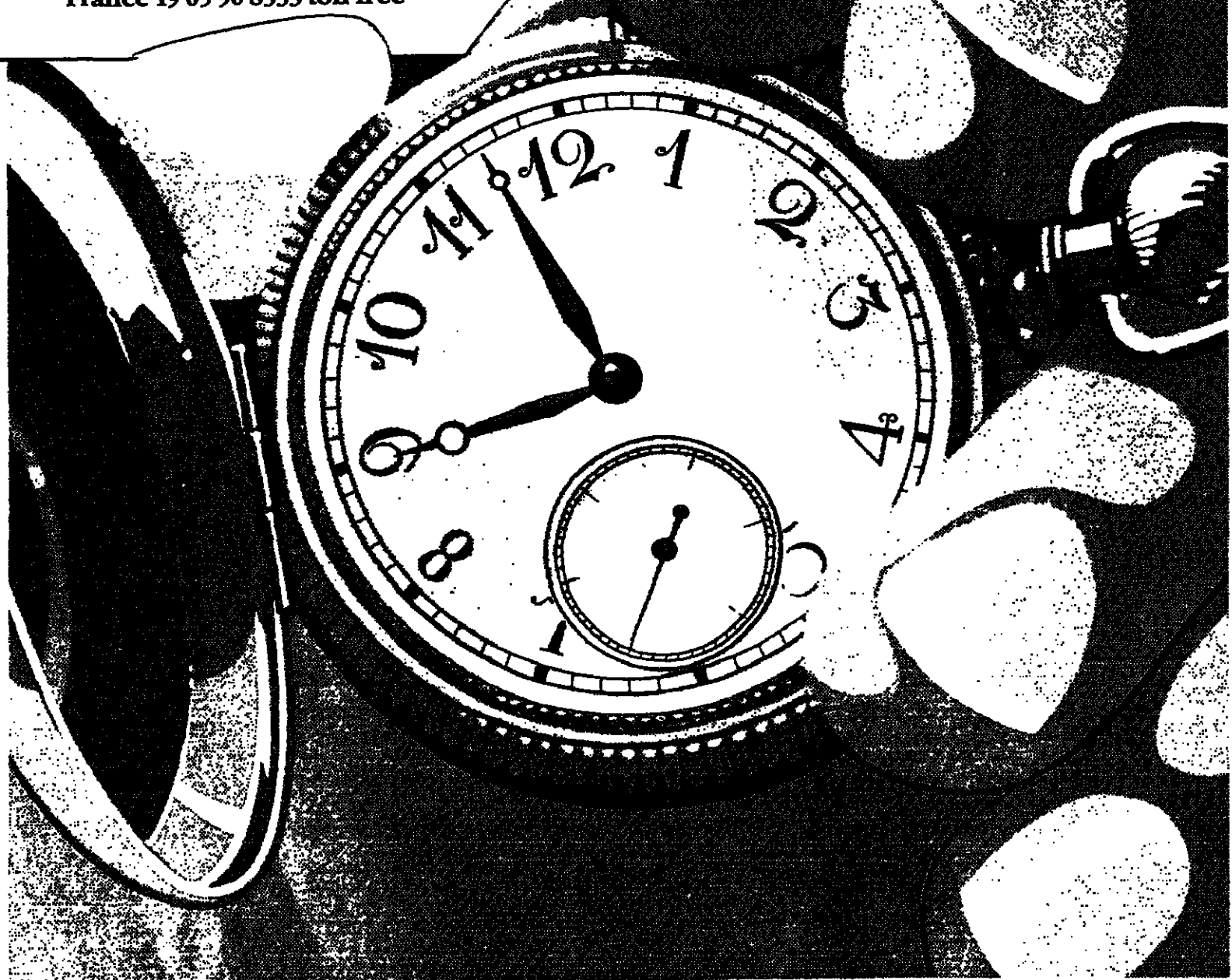
U.S. to Try to Get Accurate Count of AIDS Victims

U.K., Spain Resume Talks on Air Deal

Transport Workers Strike in Italy

**Marriott's Law:**  
if something can go right, it will.

At Marriott hotels we work to your schedule not ours.  
You won't wait for breakfast.  
You won't wait for lunch.  
And with our express checkout system you won't be kept waiting to pay either.  
In fact, day or night, whatever you want, you'll get it when and how you want it.  
We have managers on duty 24 hours a day to make sure of it.  
Punctuality is just one of the things that makes a striking difference at our hotels.  
So if you're going away on business don't waste time looking elsewhere. Simply phone for details and reservations on:  
London 01-439 0281  
Germany 0130 4422 toll free  
France 19 05 90 8333 toll free



**Marriott**  
HOTELS • RESORTS

AMMAN • AMSTERDAM • ATHENS • CAIRO • JEDDAH • LONDON • PARIS • RIYADH • VIENNA

**UNIVERSITY DEGREE**

BACHELORS • MASTERS • DOCTORATE

For Work, Academic, Life Experience.

Send detailed resume for free evaluation.

**PACIFIC WESTERN UNIVERSITY**

400 N. Sepulveda Blvd.  
Los Angeles, California  
90049, Dept. 23, U.S.A.

**AUTHORS WANTED BY N.Y. PUBLISHER**

Leading quality book publisher seeks manuscripts of all types: fiction, non-fiction, poetry, juvenile, scholarly and religious works, etc. New authors welcomed. Send for free booklet H-3 (1000) to: 316 W. 34th St., New York, N.Y. 10001 U.S.A.

Visiting New York City?

**Gramercy Park Hotel**

Distinguished 500 room hotel overlooking Gramercy Park. Excellent Restaurant, Cocktail Lounge, Piano Bar and Room Service.

Multi-lingual staff. Minutes to Business Center, Sightseeing, Banquet/Meeting facilities.

Singles \$95-105  
Doubles \$100-110  
Suites \$135-235

Group Rates Available.

Call Gen. Mgr. Tom O'Brien  
1-800-221-4083  
(212) 475-4320 Telex: 668-755  
Cable: GRAMPARK  
21st St. and Lex. Ave. N.Y.C.  
or call your local Utel office.

Happiness is Gifts from

**MICHEL SWISS**

PERFUMES • COSMETICS  
NOVELTIES • GIFTS

Top export discounts!

HOURS  
Monday to Saturday 9 am. to 6:30 pm.  
Closed on Sunday

16, RUE DE LA PAIX-PARIS  
Phone: (1) 42.61.61.11



# White House Is Accused Of Illegal Propaganda On Nicaragua Policies

By Don Oberdorfer  
Washington Post Service

WASHINGTON—The Reagan administration engaged in illegal "covert propaganda activities" designed to influence the media and the public to support its Central American policies, according to a report by the congressional General Accounting Office.

The report said the State Department's Office of Public Diplomacy for Latin America and the Caribbean had violated a law against the use of taxpayers' money "for publicity or propaganda purposes not authorized by Congress."

In a statement releasing the report Sunday, Representative Jack Brooks, Democrat of Texas and chairman of the House Government Operations Committee, said that "this illegal operation represented an important cog in the administration's effort to manipulate public opinion and congressional action."

Otto Reich, who was head of the public diplomacy office at the time and who is now U.S. ambassador to Venezuela, said that he had not been interviewed by the GAO and that his office "did not engage in any kind of propaganda of any color."

Attached to the GAO report is a "confidential eyes only" memorandum of March 13, 1985, to Patrick J. Buchanan, at that time the White House communications director, from Jonathan S. Miller, then an official of the public diplomacy office. The memo boasts of the office's "white propaganda" operations.

Mr. Miller later became a White House administrative aide. He resigned in May after it was revealed that he had cashed traveler's checks from Lieutenant Colonel Oliver L. North's National Security Council safe for payment to a leader of the Nicaraguan rebels.

In the memo to Mr. Buchanan, Mr. Miller cited The Wall Street Journal's publication on its op-ed page of March 11, 1985, of an article by John F. Guilmartin Jr. on Soviet arms aid to Nicaragua.

Mr. Guilmartin was identified by The Journal only as a professor at Rice University and a former U.S. Air Force officer and editor of the Air Force Review.

Mr. Miller told Mr. Buchanan in the memo, however, that "Professor Guilmartin has been a consultant to our office and collaborated with our staff in the writing of this piece."

He added that "officially, this office had no role in its preparation."

Mr. Guilmartin, now an associate professor at Ohio State University, said Sunday that he had

received "less than \$1,000" as a State Department consultant on Nicaraguan arms but that his Wall Street Journal article had been "mine and only mine" without any collaboration with the public diplomacy office.

Robert L. Bartley, editor of The Journal, said that he would look into the circumstances of the Guilmartin article before making further comment.

The "white propaganda" memo also said that op-ed pieces for The Washington Post and The New York Times were "being prepared by one of our consultants" for the signatures of three contra leaders at the time, Alfonso Robelo Callejas, Adolfo Calero and Arturo José Cruz.

The Post carried an op-ed article by Mr. Calero on April 7, 1985. The deputy editor of the editorial page, Stephen S. Rosenfeld, said Sunday that he had worked directly with Mr. Calero on the article and had had no indication of a State Department hand in it. (The International Herald Tribune carried Mr. Calero's article on April 10, 1985.)

The Times carried an op-ed article by the three contra leaders on Dec. 13, 1985. Robert B. Semple, editor of The Times's op-ed page, said it was "far from clear" that the article was the same one "that apparently was being prepared the previous March."

In a related development, President Ronald Reagan was preparing Monday to press his campaign to continue U.S. aid to the contra.

In a speech Wednesday he will demand additional changes in Nicaragua's internal policies, White House sources said.

Mr. Reagan's speech to the Organization of American States, followed by an address by Secretary of State George P. Shultz in Chicago on Friday, was described as the beginning of a monthlong drive that will culminate in a request to Congress shortly after Nov. 7 for additional contra aid.

# Talks to End Fighting in El Salvador 'Going Well'

The Associated Press

SAN SALVADOR—Leftist rebels and Salvadoran government officials met again Monday, continuing to seek an end to a long civil war that President José Napoleón Duarte said they should "forgive and forget."

Negotiators for both sides ate breakfast together in the Vatican's diplomatic mission before resuming discussions. The talks were conducted under a news blackout agreed upon at the close of talks Sunday.

The six-and-a-half-hour session Sunday was the two sides' first public meeting in three years.

The talks were "going well" and the atmosphere was one of "great frankness and great seriousness," Monsignor Gregorio Rosa Chavez, a spokesman for the Roman Catholic Church, said at the end of Sunday's session. The church is mediating the talks.

Monsignor Rosa Chavez, auxiliary bishop of San Salvador, said the two sides discussed the first of four points on the agenda Sunday.

He declined to elaborate on the agenda. Both delegations made it clear before the talks began that they were far apart on major issues.

The rebels are insisting, as they have for years, on participating in a provisional government that would rule until elections could be held. They also want their army incorporated into the Salvadoran armed forces.

Mr. Duarte has said the rebels must lay down their arms before their demands can be discussed.

El Salvador's civil war, which has lasted eight years, has shattered the economy and killed about 65,000 people.

The government and the rebels agreed to the talks after Mr. Duarte and the presidents of four other Central American nations signed a peace plan aimed at ending regional conflicts.

# Energy, Drive Mark Mexican Candidate's Career

By Larry Rohrer  
New York Times Service

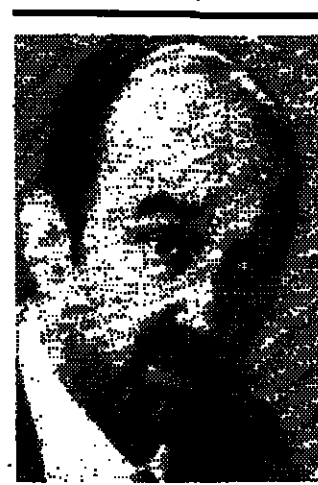
MEXICO CITY—From his father comes a passion for politics; from his mother, a delight in the intellectual rigors of economics. Throughout his short but successful career, friends say, Carlos Salinas de Gortari has sought to satisfy the demands of two often contradictory disciplines.

That effort culminated Sunday when the Institutional Revolutionary Party, which has ruled Mexico since 1929, named Mr. Salinas, 39, as its candidate for president in the general election next year.

Barring an upset of historic proportions, he will take office Dec. 1, 1988, and guide, for the next six years, the destinies of a country wrestling with its most severe political and economic crisis in more than five decades.

Mr. Salinas owes his likely elevation to Mexico's highest office primarily to President Miguel de la Madrid, who was a professor at the National Autonomous University of Mexico in Mexico City when Mr. Salinas enrolled as an economics major in 1966. He was quick to spot Mr. Salinas as a comer, and the careers of the two have been linked ever since.

As a student, Mr. Salinas was active in both campus and national politics, becoming a member of the governing party at the age of 18.



Carlos Salinas de Gortari

Mr. Salinas has played a major role in designing and carrying out an unpopular policy of economic austerity.

He worked in his off-hours as an aide to a congressman.

When he graduated in 1969, his thesis, "Agriculture, Industrialization and Employment: The Mexican Case," won him special mention in a competition of economists.

After holding several low-level bureaucratic posts, Mr. Salinas did graduate work at Harvard University, earning master's degrees in public administration, in 1973, and in political economy, in 1976.

In 1978, after writing a thesis at Harvard titled "Production and Political Participation in the Mexican Countryside," he was awarded a doctorate in political economy and government.

"I remember him as an unusually talented, creative and likable student," said Dr. John D. Montgomery, a professor of international studies at Harvard and one of Mr. Salinas's academic advisers. "He's very smart and very capable, and I'm sure this will be good for him and good for Mexico."

After returning to Mexico, Mr. Salinas held a succession of government posts, specializing in economic affairs. When Mr. de la Madrid was appointed minister of budget and planning, he named Mr. Salinas as his director of economic and social policy. When Mr. de la Madrid became president, Mr. Salinas took over the slot he vacated.

In 1981, when Mr. de la Madrid was nominated as his party's candidate for president, he chose Mr. Salinas to head the party's research group, which played a key role in developing policy and running the campaign.

Mr. Salinas has held cabinet rank since 1982 and has played a major role in designing and carrying out an unpopular policy of economic austerity that only in recent months has begun to yield encouraging results.

To the public, Mr. Salinas is known by the nickname Atom Ant. That sobriquet reflects not only the traditional Mexican irreverence toward authority, but also recognizes the energy, drive and persistence that are the main components of Mr. Salinas's public image.

Though he would take office without having held any elected position, Mr. Salinas comes from a family with an illustrious political background. His father, Raul Salinas Lozano, 70, is a senator representing the state of Nuevo Leon. He also has served as minister of industry and commerce and ambassador to the Soviet Union.

His mother, Margarita de Gortari Carvajal, is an economist who helped found and was the first president of the Mexican Association of Women Economists. She comes from a long line of lawyers, engineers and military men, including one who fought in the battle of the Alamo.

Mr. Salinas and his wife, the former Yolanda Cecilia Ocellis Gonzalez, have three children: Cecilia, Emiliano and Juan Cristobal.

Mr. Salinas also is known as a skilled sportsman. He follows Mexican and U.S. baseball avidly, jogs 6 to 10 miles a day, and, in 1971, won a silver medal at the Pan American Games in Cali, Colombia, for his horsemanship.

# Rats Enjoy the Nightlife in Chicago

By Dirk Johnson  
New York Times Service

CHICAGO—At an outdoor café in the fashionable Rush Street area here, a waitress told a noontime customer about the day's special. The customer shrieked in horror.

It wasn't that the portions were too small or the prices too large. It was the rat—too big, too ugly and too close for comfort—crawling across the floor.

Rats, some of them 18 inches (45 centimeters) long, are roaming this Near North Side nightlife district with all the seeming cockiness of the youthful revelers who swagger between singles clubs here.

"We hear stories that they're as big as cats around Rush Street," said Kay L. Murray, the city's deputy commissioner of streets and sanitation. "It's bothersome because so many out-of-towners come to that area. And that's not exactly what we like them to see."

For the last year, the city has had a special crew of three baiting the Near North Side with rat poisons and glue boards. Those efforts have succeeded in rounding up many rats, Mr. Murray said, but they remain a serious nuisance.

The problem, in part, results from the age-old equation that rodents go where people go. This affluent area, known as the Gold Coast, has no monopoly on rats, as the people living in public housing projects will attest. But the area does have political clout and certain sensitivities. And with its dense population and dozens of food establishments, the Gold Coast offers rats a feast that might

make their cousins in other neighborhoods squeak with envy.

Moreover, a boom in commercial construction in this district has given rats plenty of places to hide and breed amid the rubble, and opportunities to dine on lunchtime scraps left by workers. With cold weather approaching, neighborhood residents are growing wary about four-legged home invaders, checking for signs of gnawing at their doors.

The owner of the Rush Street café, aware that rats do little for ambiance and less for appetite, finally lost his patience.

He loaded a gun and went hunting in the alley. "I picked off a bunch of them," he said. "They're all over the alley. And they play in the streets, scaring everybody."

Terrified that rats might get inside his restaurant, the owner has hired a contractor to install steel wiring around the basement walls, to be covered by an extra coating of plaster.

In his ground floor apartment in a restored mansion on Astor Street here, Jonathan Black could hear them scrambling around in his kitchen cupboards.

When he came home at night, he could spot three or four prowling near the front steps. In the first seven months of this year, the city documented 80 rat bites, up from 71 over the same period last year. Thousands of rats also infested a South Side neighborhood that was the site of an illegal garbage dump. City rodent-control teams worked around the clock for more than a week before the rats were vanquished.

"It's not that rats are so smart," said Terry Howard, the city's director of rodent control. "People are dumb."

# Incest Victim Gets Jail Term

The Associated Press

RIVERHEAD, New York—An 18-year-old who admitted hiring a classmate to kill her abusive father was sentenced Monday to six months in jail.

Cheryl Pierson's case became symbolic of a national problem of incest during hearings in which she described four years of sexual and physical abuse.

Miss Pierson fainted as the judge announced that, although she was eligible for youthful offender status, he was sentencing her to the jail

term for manslaughter. She was also placed on probation for five years and ordered to continue undergoing therapy.

James Pierson, a 42-year-old electrician, was found dead Feb. 5, 1986, in his driveway, where he had been shot by Sean Pica, 19. Miss Pierson testified that she had hired Mr. Pica because she suspected her father was about to start an incestuous relationship with her 8-year-old sister.

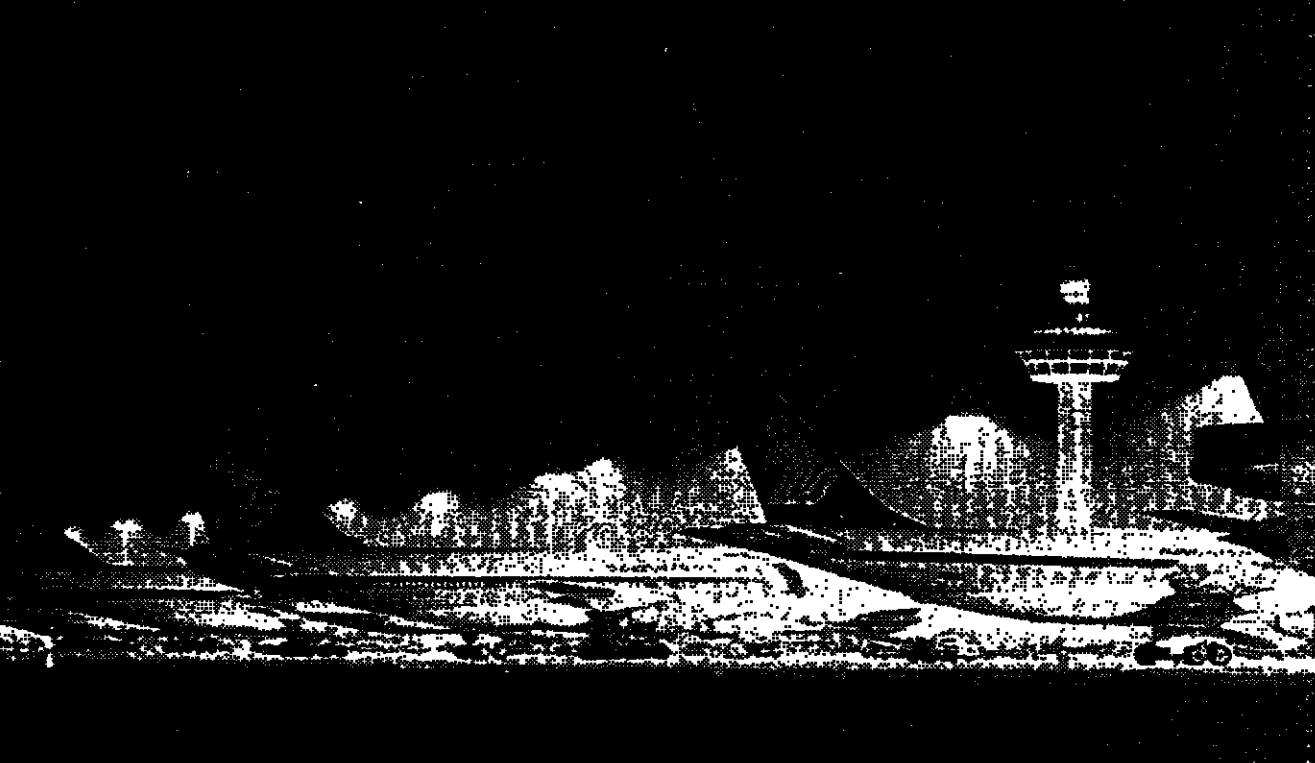
Mr. Pica was sentenced to from 8 to 24 years in prison after pleading guilty to manslaughter.

When Singapore's Changi International Airport was completed in 1981, it featured many unique solutions to the operational and organizational problems of a busy airport - a commitment to innovation that will be repeated in the construction of the new Terminal 2.

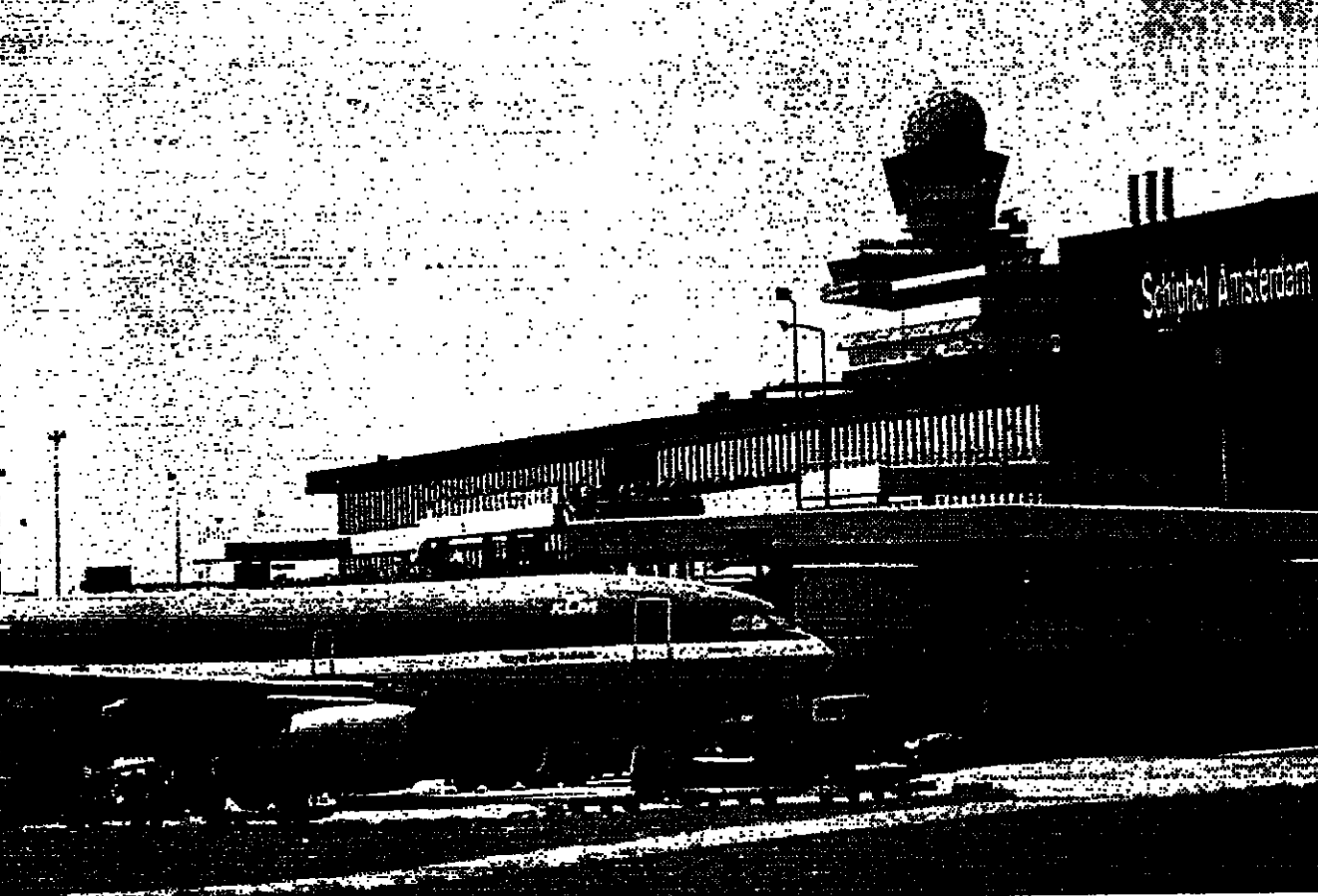
Due for completion in 1989, Terminal 2 features a computerized Flight Information Display System (FIDS II), employing new-technology display techniques. FIDS II will integrate the flow of information among the public, administration and operational areas to display the right information, in the right format, at the right place, at the right time.

The \$519.5 million contract for the design, supply and installation of this highly innovative system was won by Philips in the face of strong international competition. Yet Philips' association with Singapore Civil Aviation goes far beyond FIDS II. We supplied Changi's long-range (ATC) and airport surface detection radars, outdoor lighting and public address and sound systems.

And a Philips AEROPP message switching system enables Singapore to play a key role as a Regional node in the worldwide Aeronautical Fixed Telecommunications Network, AFTN.



# Philips - specialist in airport development.



In The Netherlands, the Civil Aviation Authority has developed an ambitious U.S.\$750 million expansion project for Amsterdam Airport, Schiphol. And by the mid-90s the airport will be capable of an annual traffic throughput of up to 18 million passengers and over 900 000 tonnes of cargo.

Philips is helping with energy-efficient terminal lighting, new-generation SNF-11 asymmetric non-glare apron floodlighting, and many other technical aspects of this massive airport development project.

We have also been commissioned to implement the first international CIDIN (Common ICAO Data Interchange Network) node as a modernization of the existing AEROPP system for AFTN.

From technical systems to professional services, Philips has the corporate capability and organizational flexibility to meet specific needs of airport authorities the world over.

**Philips. The sure sign of expertise worldwide.**





INTERNATIONAL **Herald Tribune**

Published With The New York Times and The Washington Post

# The Bork Nomination

## He Fails a Crucial Test A Lack of Compassion

The Supreme Court convened Monday for its 197th term, but with only eight justices, the admiral Lewis Powell retired in June. There could have been nine justices in place had President Reagan proposed someone like him, or another conservative in the tradition of Justices Felix Frankfurter or John Marshall Harlan. By now, even a Democratic Senate likely would have given consent.

But instead, the president chose Robert Bork and thus chose angry confrontation. For Judge Bork is not merely a conservative. He has long been a flamboyant provocateur, with a lifetime of writings to prove it. As a result, Mr. Reagan got the rancorous political battle he asked for.

The president's supporters insist vehemently that, having won the 1984 election, he has every right to try to change the court's direction. Yes, but the Democrats won the 1986 election, retaining control of the Senate, and they have every right to resist.

The division of power makes moderates of both parties decisive. For Mr. Reagan to nominate Judge Bork was to stick a thumb in moderates' eyes. The Senate need not and should not endorse views so alien to the Supreme Court's honored role as definer and defender of constitutional liberties.

Judge Bork has reviewed and revised his views to assure senators that he would not really interpret the Constitution in the sometimes bizarre ways suggested by the written record. Yet his underlying view remains. His Constitution is smaller and more closed than the living document. Americans celebrate in this its bicentennial year.

Judge Bork is no racist. His integrity is not questioned, nor is his technical ability. Yet even with his five days of testimony, it has been hard for senators to know him, in part because he recanted some, though not all, of his views.

Our uncharacteristic silence in recent weeks on a hot, controversial topic has been the silence of second thoughts. When Judge Robert Bork was nominated to the Supreme Court, we hoped and expected to be able to support his confirmation even though his political inclinations are far from our own. Those many aspects of the campaign against him that did not resemble an argument so much as a lynching only reinforced our original instinct. But we find, at the end of a period of total immersion in the subject—the written record, the testimony for and against Judge Bork and, most tellingly, the testimony by him—that we cannot.

By now the question may be academic; the Bork nomination appears to be gone. The reason for this, we suspect, is not the one being offered by President Reagan's perennially disappointed conservative constituency—that the White House failed to campaign for him as a great avenger of the right, a law-and-order man who would roll back the decades of permissiveness. Rather it was that his natural and expected support never materialized in the political middle.

Why? On a careful reading of the evidence, a preponderance of powerful reasons to support Judge Bork was fatally undermined by a couple of powerful and critical reservations that finally, for us and, we suspect, for many others disposed to support him, could not be overcome.

**This Can Be Said for Him**

We are not being playful when we say that much of the "anti" effort was almost enough to make you "pro." The dismal political and programmatic content of some of the argument against him, as heard day after day in the committee hearings, could only confirm a suspicion that the time is ripe for a challenge to the lazy and dangerous clichés that often pass for policy wisdom and judicial profundity among liberals these days. There was also something disquieting in the idea that intellectual audacity and a challenge to prevailing legal orthodoxy were automatically to be punished or at least put down.

A second factor in his favor was the conventional view to which we continue to subscribe that a president has a large claim to support in nominating a judge of proven competence and distinction to the court. And finally there is the intelligence and professional achievement of the man, Judge Bork is, on the evidence, one of the most thoroughly schooled and knowledgeable students of constitutional law ever nominated.

What, then, is enough to overcome all this? The impression, never disturbed throughout the hearings, that he did not change in the one respect that matters most: Judge Bork has retained from his academic days an almost frightening detachment from, not to say indifference toward, the real-world consequences of his views; he plays with ideas, seeks tidiness, and in the process does not seem to care who is crushed.

**Why He Has Failed to Satisfy**

What people like ourselves needed when confronted with this impression was modest, but critical—a simple assurance that, in addition to the forensic brilliance, the personal integrity and the care for the law, his moral sensibility could be engaged with the questions on which he had pronounced so forcefully, that in these great cases that were to have so profound and intimate an effect on people's lives, he had a feeling for justice, not just for the law. This was an assurance of which we could find only the palest traces in the written record, and one that he either could not or would not provide.

Judge Bork is driven by the idea that the judiciary in recent years has substituted values—inevitably its own—for the law, and in the process is dissipating its authority, threatening its legitimacy. And the excruciating thing about his nomination is that, to some considerable extent, he is right in this. He has been pilloried in part for having had the effrontery to raise questions that ought to be raised and that are difficult to answer, about the nature of the constitutional provisions and the statutes the courts are called upon to construe, and about the proper role of the courts in doing so. It is not as clear as advocates would wish that the Constitution bars all forms of sex discrimination; requires one-man, one-vote; bars any form of state aid to sectarian schools; creates a clear shield of privacy. To some extent Judge Bork is being skewered for having rightly said so.

His saying these things is not our objection to his nomination, however. We go the next step, to what he has not said. The genius that has allowed the Constitution to survive for 200 years lies partly in its elasticity. Many of the nation's clearest and ugliest inequities have been mitigated only because judges used that elasticity to deal with issues that, for various reasons, the other branches would not. Judge Bork, it seems to us, is much more likely to note injustice but refuse to use the full powers of the Supreme Court to remedy it. He does not read the Constitution generously.

Judge Bork, in his zeal to move away from values, does not take us to a value-free zone, much as he might like to. He takes us to a place where the courts too often say no. Those results are expressions of value, too. He may go in a healthy direction, but he goes too far.

**The Liberty He Would Limit**

The test, finally, is where he stands on large constitutional issues. Four stand out.

**Civil Rights.** In 1963 and 1964, as a 36-year-old law professor, Judge Bork wrote impassioned attacks on legislation to desegregate lunch counters and other public accommodations. He argued that the bill, by invading the liberty of proprietors to turn away blacks, was based on "a principle of unsurpassed ugliness." Not until 1973, when seeking Senate confirmation as solicitor general, did he publicly renounce this view.

He has criticized some of the Supreme Court's landmark civil rights decisions for reasons that vary from case to case. The bottom line, however, is almost always the same—unfavorable to minorities.

**Free Speech.** Repeatedly over the years, Judge Bork has taken a narrow view of the rights of expression. He declared that only the "core" value of political speech was immune from government restraint. Not until 1984 did he allow as how art and literature might be protected, and then only because they sometimes relate to politics.

Even this limited liberty, in his view, remains at the mercy of the majority when speech becomes advocacy of illegal action. The court and mainstream public opinion have long tolerated dissent, reserving punishment for incitement to imminent lawless action. He rejects this tradition.

**Sex Discrimination.** Not until two weeks ago did Judge Bork accept the Supreme Court's gradual, belated extension of equal protection to women. As recently as June 10, just before his nomination, he told an interviewer that he thought the 14th Amendment "should have been kept to things like race and ethnicity" and not extended to women. His conversion came so late that it is hard to know how seriously to take it.

**Liberty and Privacy.** The attitude of exclusion is even more evident in his views on the right of privacy that most Americans have come to regard as secure from prying government. The Constitution does not state a right of privacy beyond freedom from unreasonable searches and the like; thus Judge Bork does not recognize its existence. Yet great judges have found room for personal privacy in the concept of liberty enshrined in the Fifth and 14th Amendments.

**The Framers' Larger Intent**

His stringent philosophy springs from valid motives. Some justices have shamelessly warped liberty, as when the Supreme Court in 1905 upheld the "liberty" of New York workers to contract for substandard working conditions that the states were trying to regulate. Judge Bork has written and testified that judges must interpret law, not make it. Most judges subscribe to such judicial restraint. Judge Bork carries the idea to mechanistic extremes. The Constitution lives in large measure because of judges who aspire to objectivity but recognize they must make choices. Judge Bork seeks what he calls the framers' "original intent." He refuses to see, or lament, their larger intent.

Americans created a Constitution, added a Bill of Rights and have amended the Constitution repeatedly to embrace persons previously excluded. By their very breadth, noble concepts like equal protection and due process guard against abuse by the majority and invite generosity for the underdog. That is the Constitution most Americans honor. Does Judge Bork? His earnest but inadequate answers say no. So should the Senate.

—THE NEW YORK TIMES

**INTERNATIONAL HERALD TRIBUNE**  
JOHN HAY WHITNEY, Chairman 1958-1982  
KATHARINE GRAHAM, WILLIAM S. PALEY, ARTHUR OCHS SULZBERGER  
Co-Chairmen  
LEE W. HUBNER, Publisher  
JOHN VINCIGUERRA, Executive Editor • WALTER WELLS, Vice Editor • SAMUEL ABE, KATHERINE KNORR  
and CHARLES MELCHORE, Deputy Editors • CARL GERWITZ, Associate Editor •  
ROBERT J. DONAHUE, Editor of the Editorial Page  
RENÉ BONDY, Deputy Publisher • ALAIN LECOUR and RICHARD H. MORGAN, Associate Publishers •  
FRANÇOIS DESMAISON, Circulation Director • ROLF D. KRANEPPEL, Advertising Sales Director  
International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92200 Neuilly-sur-Seine, France.  
Tel. (1) 46.37.91.00. Telex: Adversim 613595; Circulation, 612832; Editorial, 612718; Production, 630698.  
Directeur de la publication: Walter A. Thayer

**Editorial Offices:** Michael Rothstein, 5 Conventry Rd., Singapore 0211, Tel. 477-7168. Telex: 8556028  
Managing Dir. Asia: Malcolm Glen, 50 Orchard Road, Hong Kong, Tel. 5361016. Telex: 61170  
Managing Dir. U.K.: Robin Mackintosh, 65 Long Acre, London WC2E 3LF, Tel. 836-4802. Telex: 262000  
Gen. Mgr. Germany: W. Leutenbach, Frohnberg 15, 4000 Frankfurt/M., Tel. (069) 720755. Telex: 416721  
Pres. U.S.: Michael Conroy, 150 Third Ave., New York, N.Y. 10022, Tel. (212) 752-3890. Telex: 421737  
S.A. de capital de 1.200.000 F. RCS Nanterre B 32021126. Commission Paritaire No. 61337  
© 1987, International Herald Tribune. All rights reserved. ISSN: 0294-8052

# A Wily Casey Knew How to Raise the Ante

By William Safire

WASHINGTON—A few years ago, after the director of central intelligence, William Casey, threatened to try to jail journalists who dared to print information stamped "secret," I received a call from a federal law enforcement source.

"What's with your old friend Casey?" he asked. "He's making all this noise about leaks, but we happen to know he's been spending hours alone, home and office, with Bob Woodward of The Post. The FBI doesn't want to ask Casey about it because CIA handles its own security."

Ever eager to protect U.S. secrets from being divulged first to a rival publication, I called Bill Casey and put it to him: Was he being a hypocrite, complaining about leaks by day and leaking to a reporter at night? His gruff reply was unequivocal: "I haven't seen Woodward for 18 months."

That was untrue, as we now know from evidence of frequent interviews in a book that appears to be titled "Bob Woodward," as told to somebody named "Veil." The FBI's unofficial surveillance

**Hype aside, a skillful journalist has penetrated U.S. intelligence agencies for the most important book on the CIA in many years.**

was on target, and I am glad now that I wrote about the suspicious at the Justice Department and the bald-faced Casey denial.

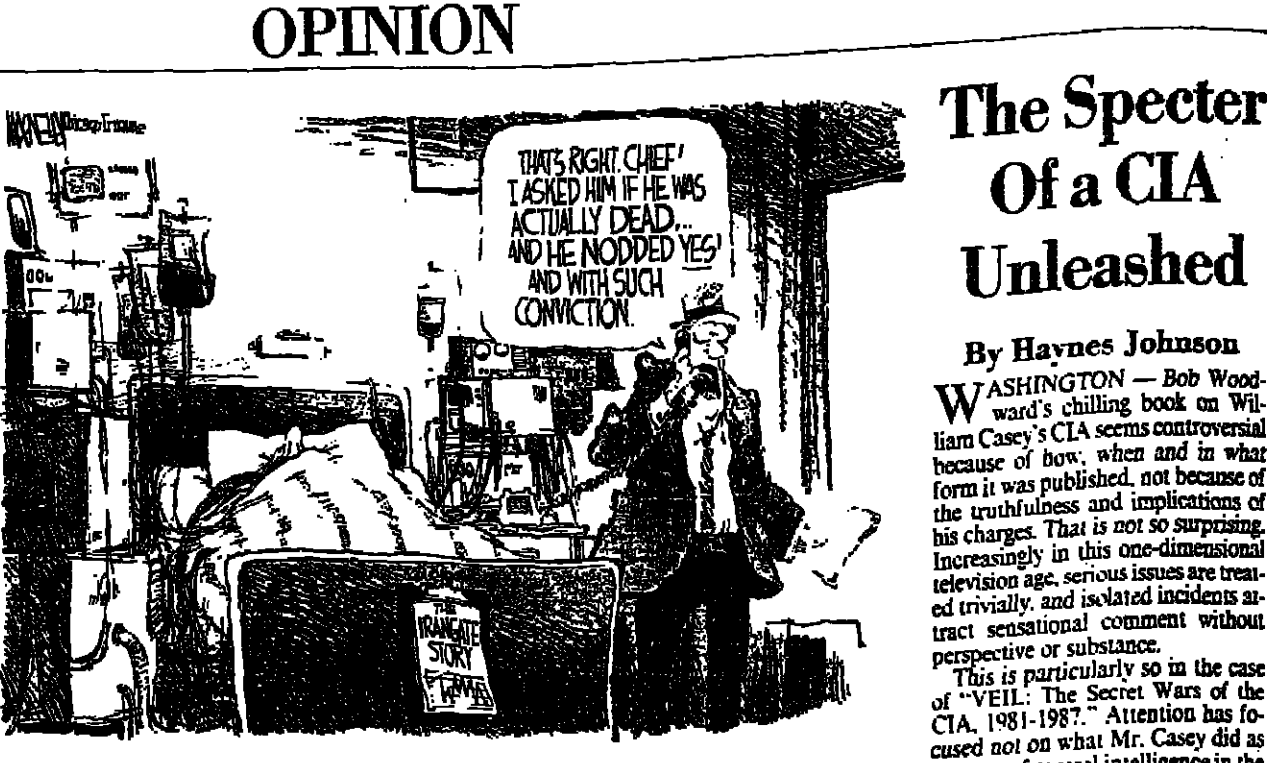
This is because the initial brouhaha about this book centers on a supposed "deathbed confession" by Mr. Casey to knowing about the diversion of Iran profits to the Contras. Did Mr. Woodward slip past the CIA guards and the vigilant Casey family to see the dying man alone in his hospital room? If so, did the brain-damaged, sedated patient understand the incriminating question, and did he nod yes and say "I believe" and did his head droop as he murmured "Please leave"?

The answer is: It doesn't matter. That melodramatic scene, foolishly added to show enterprise and to squeeze a controversial news lead into the book, adds nothing to our understanding of America's most activist CIA director. The reporter's need to tuck on a moral judgment—and to presume to pose as a public confessor for a man who chose not to confess—demeans and discredits his work.

What does matter is that a skillful journalist has penetrated U.S. intelligence agencies and their oversight committees to provide the most important book on the CIA since David Wise and Thomas B. Ross wrote "Invisible Government: The CIA & U.S. Intelligence," in 1974.

Ignore the hype excerpts, which have led the president and Sophia Casey to lash out at the author, and are causing CIA bureaucrats (like Bob by Imman, the disgruntled former deputy director, who is now desperate to appear not to have been a source) to bewail the exposure of details about meetings on covert activities. And distrust, as I do, most direct quotation reconstructed without notes or indicated by the writer. Read the whole book; you will be much better informed about what went right and went wrong inside the Reagan administration and you will have a fair portrait of William J. Casey.

This is the Casey I knew well: bluff, wide-ranging, impatient, daring, purposeful, enthusiastic, patriotic, secretive, cunning, deceptive. Bob Woodward's Casey is close to the real Casey, missing only the profound cancer-induced change in personality in



the final year; his longtime admirers and ideological allies should get off the defensive and enjoy the recognition and respect he gets in this biography.

Why did he spend time with a star reporter even after the fact of their meetings appeared in print? The Casey veteran of the OSS, I am almost certain, was not spilling fresh secrets. He saw himself as staying in touch with an adversary, protecting his back against his bureaucratic enemies.

William Casey was the poker player anointing up more information to see what was in the other player's hand, then bluffing when possible — or marking a card when necessary — to take the pot by putting a better light on what the reporter was learning elsewhere. America's most overtly covert man had a strategic mission as well as a concern for his place in the history of derring-do, and Mr. Woodward offered an irresistible challenge to both. That was why the director stayed in touch even though he knew his refusal to disengage flashed a green light to others to talk.

Did he know of the fund diversion to the Contras? Of course; knowledge was power, and the resolute denial of guilty knowledge was quintessential Casey. However — if, on his deathbed, this murky man suddenly became lucid, confessed his congressional sins to the nearest reporter and sought absolution from his doleful critics. I would say: Wait a minute, that's not Bill Casey; why is he coming up?

The New York Times

the final year; his longtime admirers and ideological allies should get off the defensive and enjoy the recognition and respect he gets in this biography.

Why did he spend time with a star reporter even after the fact of their meetings appeared in print? The Casey veteran of the OSS, I am almost certain, was not spilling fresh secrets. He saw himself as staying in touch with an adversary, protecting his back against his bureaucratic enemies.

William Casey was the poker player anointing up more information to see what was in the other player's hand, then bluffing when possible — or marking a card when necessary — to take the pot by putting a better light on what the reporter was learning elsewhere. America's most overtly covert man had a strategic mission as well as a concern for his place in the history of derring-do, and Mr. Woodward offered an irresistible challenge to both. That was why the director stayed in touch even though he knew his refusal to disengage flashed a green light to others to talk.

Did he know of the fund diversion to the Contras? Of course; knowledge was power, and the resolute denial of guilty knowledge was quintessential Casey. However — if, on his deathbed, this murky man suddenly became lucid, confessed his congressional sins to the nearest reporter and sought absolution from his doleful critics. I would say: Wait a minute, that's not Bill Casey; why is he coming up?

The New York Times

# The Specter of a CIA Unleashed

By Haynes Johnson

WASHINGTON—Bob Woodward's chilling book on William Casey's CIA seems controversial because of how, when and in what form it was published, not because of the truthfulness and implications of his charges. That is not so surprising. Increasingly in this one-dimensional television age, serious issues are treated trivially, and isolated incidents attract sensational comment without perspective or substance.

This is particularly so in the case of "VEIL: The Secret Wars of the CIA, 1981-1987." Attention has focused not on what Mr. Casey did as director of central intelligence in the Reagan years but on whether he nodded and or spoke a few words to Mr. Woodward from his hospital bed.

Heated discussion revolves around what Mr. Woodward and when they knew it, not on the implications of the detailed accounts of an intelligence agency operating beyond political accountability, if not literally out of control.

Many of those commenting seem to have read only the headlines, then added to the din of nonfactual denials and no-comments. Most of the furor totally misses the point.

The point is not whether Mr. Casey nodded or mumbled an affirmative response to Mr. Woodward about whether the profits from U.S.-Iranian arms sales were diverted to the Nicaraguan Contras — unless you believe that Mr. Woodward is a liar. I do not, and the notion is strongly disputed by Mr. Woodward's career record of repeated, accurate disclosures. The public has been told in the sworn testimony of Lieutenant Colonel Oliver North that "Casey knew."

The point is the cumulative portrait of a CIA director, operating in a climate of official secrecy and distrust for virtually all public institutions, embarking on worldwide actions that made the Iran-contra affair inevitable and perhaps only a small part of a larger pattern.

If Mr. Woodward's account is accurate, the cover-up scheme of North & Co.'s secret enterprise to provide the capacity for unaccountable covert action worldwide was already operational. Assassinations were among services it could provide.

According to Mr. Woodward's depiction, Mr. Casey worked diligently and effectively to find a way around Congress. He bypassed rules and laws, made end-runs around congressional oversight committees, got friendly members of Congress to obtain secret agency funding through their committees, and obtained assistance for operations from Saudi and Israeli intelligence services. He "privatized" U.S. intelligence operations and U.S. foreign policy with a vengeance.

All this was possible because of what Mr. Woodward portrays as the passive but permissive style of Ronald Reagan in the White House.

As Mr. Woodward writes, Mr. Casey had little trouble figuring out what Mr. Reagan wanted: no commitment of U.S. combat troops but virtually all of the court support possible to back up the dictates of the so-called Reagan Doctrine. That means fighting communism by supporting anti-Communist resistance forces everywhere: Nicaragua, Afghanistan, Angola, Ethiopia, Cambodia.

It also means operating beyond the bounds of public accountability. If that means lying, bending or breaking the law, so be it. The cause is what counts. The means are secondary.

Harry Truman, who created the CIA 40 years ago, expressed this concern about it after leaving office:

"This quiet intelligence arm of the president has been so removed from its intended role that it is being interpreted as a symbol of sinister and mysterious foreign intrigue... We have grown up as a nation respected for our free institutions and for our ability to maintain a free and open society. The Reagan wanted: no commitment of U.S. combat troops but virtually all of the court support possible to back up the dictates of the so-called Reagan Doctrine. That means fighting communism by supporting anti-Communist resistance forces everywhere: Nicaragua, Afghanistan, Angola, Ethiopia, Cambodia.

It also means operating beyond the bounds of public accountability. If that means lying, bending or breaking the law, so be it. The cause is what counts. The means are secondary.

Harry Truman, who created the CIA 40 years ago, expressed this concern about it after leaving office:

"This quiet intelligence arm of the president has been so removed from its intended role that it is being interpreted as a symbol of sinister and mysterious foreign intrigue... We have grown up as a nation respected for our free institutions and for our ability to maintain a free and open society. The Reagan wanted: no commitment of U.S. combat troops but virtually all of the court support possible to back up the dictates of the so-called Reagan Doctrine. That means fighting communism by supporting anti-Communist resistance forces everywhere: Nicaragua, Afghanistan, Angola, Ethiopia, Cambodia.

It also means operating beyond the bounds of public accountability. If that means lying, bending or breaking the law, so be it. The cause is what counts. The means are secondary.

Harry Truman, who created the CIA 40 years ago, expressed this concern about it after leaving office:

"This quiet intelligence arm of the president has been so removed from its intended role that it is being interpreted as a symbol of sinister and mysterious foreign intrigue... We have grown up as a nation respected for our free institutions and for our ability to maintain a free and open society. The Reagan wanted: no commitment of U.S. combat troops but virtually all of the court support possible to back up the dictates of the so-called Reagan Doctrine. That means fighting communism by supporting anti-Communist resistance forces everywhere: Nicaragua, Afghanistan, Angola, Ethiopia, Cambodia.

It also means operating beyond the bounds of public accountability. If that means lying, bending or breaking the law, so be it. The cause is what counts. The means are secondary.

Harry Truman, who created the CIA 40 years ago, expressed this concern about it after leaving office:

"This quiet intelligence arm of the president has been so removed from its intended role that it is being interpreted as a symbol of sinister and mysterious foreign intrigue... We have grown up as a nation respected for our free institutions and for our ability to maintain a free and open society. The Reagan wanted: no commitment of U.S. combat troops but virtually all of the court support possible to back up the dictates of the so-called Reagan Doctrine. That means fighting communism by supporting anti-Communist resistance forces everywhere: Nicaragua, Afghanistan, Angola, Ethiopia, Cambodia.

It also means operating beyond the bounds of public accountability. If that means lying, bending or breaking the law, so be it. The cause is what counts. The means are secondary.

Harry Truman, who created the CIA 40 years ago, expressed this concern about it after leaving office:

"This quiet intelligence arm of the president has been so removed from its intended role that it is being interpreted as a symbol of sinister and mysterious foreign intrigue... We have grown up as a nation respected for our free institutions and for our ability to maintain a free and open society. The Reagan wanted: no commitment of U.S. combat troops but virtually all of the court support possible to back up the dictates of the so-called Reagan Doctrine. That means fighting communism by supporting anti-Communist resistance forces everywhere: Nicaragua, Afghanistan, Angola, Ethiopia, Cambodia.

It also means operating beyond the bounds of public accountability. If that means lying, bending or breaking the law, so be it. The cause is what counts. The means are secondary.

Harry Truman, who created the CIA 40 years ago, expressed this concern about it after leaving office:

"This quiet intelligence arm of the president has been so removed from its intended role that it is being interpreted as a symbol of sinister and mysterious foreign intrigue... We have grown up as a nation respected for our free institutions and for our ability to maintain a free and open society. The Reagan wanted: no commitment of U.S. combat troops but virtually all of the court support possible to back up the dictates of the so-called Reagan Doctrine. That means fighting communism by supporting anti-Communist resistance forces everywhere: Nicaragua, Afghanistan, Angola, Ethiopia, Cambodia.

It also means operating beyond the bounds of public accountability. If that means lying, bending or breaking the law, so be it. The cause is what counts. The means are secondary.

Harry Truman, who created the CIA 40 years ago, expressed this concern about it after leaving office:

"This quiet intelligence arm of the president has been so removed from its intended role that it is being interpreted as a symbol of sinister and mysterious foreign intrigue... We have grown up as a nation respected for our free institutions and for our ability to maintain a free and open society. The Reagan wanted: no commitment of U.S. combat troops but virtually all of the court support possible to back up the dictates of the so-called Reagan Doctrine. That means fighting communism by supporting anti-Communist resistance forces everywhere: Nicaragua, Afghanistan, Angola, Ethiopia, Cambodia.

It also means operating beyond the bounds of public accountability. If that means lying, bending or breaking the law, so be it. The cause is what counts. The means are secondary.

Harry Truman, who created the CIA 40 years ago, expressed this concern about it after leaving office:

"This quiet intelligence arm of the president has been so removed from its intended role that it is being interpreted as a symbol of sinister and mysterious foreign intrigue... We have grown up as a nation respected for our free institutions and for our ability to maintain a free and open society. The Reagan wanted: no commitment of U.S. combat troops but virtually all of the court support possible to back up the dictates of the so-called Reagan Doctrine. That means fighting communism by supporting anti-Communist resistance forces everywhere: Nicaragua, Afghanistan, Angola, Ethiopia, Cambodia.

It also means operating beyond the bounds of public accountability. If that means lying, bending or breaking the law, so be it. The cause is what counts. The means are secondary.

Harry Truman, who created the CIA 40 years ago, expressed this concern about it after leaving office:

"This quiet intelligence arm of the president has been so removed from its intended role that it is being interpreted as a symbol of sinister and mysterious foreign intrigue... We have grown up as a nation respected for our free institutions and for our ability to maintain a free and open society. The Reagan wanted: no commitment of U.S. combat troops but virtually all of the court support possible to back up the dictates of the so-called Reagan Doctrine. That means fighting communism by supporting anti-Communist resistance forces everywhere: Nicaragua, Afghanistan, Angola, Ethiopia, Cambodia.

It also means operating beyond the bounds of public accountability. If that means lying, bending or breaking the law, so be it. The cause is what counts. The means are secondary.

Harry Truman, who created the CIA 40 years ago, expressed this concern about it after leaving office:

"This quiet intelligence arm of the president has been so removed from its intended role that it is being interpreted as a symbol of sinister and mysterious foreign intrigue... We have grown up as a nation respected for our free institutions and for our ability to maintain a free and open society. The Reagan wanted: no commitment of U.S. combat troops but virtually all of the court support possible to back up the dictates of the so-called Reagan Doctrine. That means fighting communism by supporting anti-Communist resistance forces everywhere: Nicaragua, Afghanistan, Angola, Ethiopia, Cambodia.

It also means operating beyond the bounds of public accountability. If that means lying, bending or breaking the law, so be it. The cause is what counts. The means are secondary.

Harry Truman, who created the CIA 40 years ago, expressed this concern about it after leaving office:

"This quiet intelligence arm of the president has been so removed from its intended role that it is being interpreted as a symbol of sinister and mysterious foreign intrigue... We have grown up as a nation respected for our free institutions and for our ability to maintain a free and open society. The Reagan wanted: no commitment of U.S. combat troops but virtually all of the court support possible to back up the dictates of the so-called Reagan Doctrine. That means fighting communism by supporting anti-Communist resistance forces everywhere: Nicaragua, Afghanistan, Angola, Ethiopia, Cambodia.

It also means operating beyond the bounds of public accountability. If that means lying, bending or breaking the law, so be it. The cause is what counts. The means are secondary.

Harry Truman, who created the CIA 40 years ago, expressed this concern about it after leaving office:

"This quiet intelligence arm of the president has been so removed from its intended role that it is being interpreted as a symbol of sinister and mysterious foreign intrigue... We have grown up as a nation respected for our free institutions and for our ability to maintain a free and open society. The Reagan wanted: no commitment of U.S. combat troops but virtually all of the court support possible to back up the dictates of the so-called Reagan Doctrine. That means fighting communism by supporting anti-Communist resistance forces everywhere: Nicaragua, Afghanistan, Angola, Ethiopia, Cambodia.

It also means operating beyond the bounds of public accountability. If that means lying, bending or breaking the law, so be it. The cause is what counts. The means are secondary.

Harry Truman, who created the CIA 40 years ago, expressed this concern about it after leaving office:

"This quiet intelligence arm of the president has been so removed from its intended role that it is being interpreted as a symbol of sinister and mysterious foreign intrigue... We have grown up as a nation respected for our free institutions and for our ability to maintain a free and open society. The Reagan wanted: no commitment of U.S. combat troops but virtually all of the court support possible to back up the dictates of the so-called Reagan Doctrine. That means fighting communism by supporting anti-Communist resistance forces everywhere: Nicaragua, Afghanistan, Angola, Ethiopia, Cambodia.

It also means operating beyond the bounds of public accountability. If that means lying, bending or breaking the law, so be it. The cause is what counts. The means are secondary.

Harry Truman, who created the CIA 40 years ago, expressed this concern about it after leaving office:

"This quiet intelligence arm of the president has been so removed from its intended role that it is being interpreted as a symbol of sinister and mysterious foreign intrigue... We have grown up as a nation respected for our free institutions and for our ability to maintain a free and open society. The Reagan wanted: no commitment of U.S. combat troops but virtually all of the court support possible to back up the dictates of the so-called Reagan Doctrine. That means fighting communism by supporting anti-Communist resistance forces everywhere: Nicaragua, Afghanistan, Angola, Ethiopia, Cambodia.

It also means operating beyond the bounds of public accountability. If that means lying, bending or breaking the law, so be it. The cause is what counts. The means are secondary.

Harry Truman, who created the CIA 40 years ago, expressed this concern about it after leaving office:

"This quiet intelligence arm of the president has been so removed from its intended role that it is being interpreted as a symbol of sinister and mysterious foreign intrigue... We have grown up as a nation respected for our free institutions and for our ability to maintain a free and open society. The Reagan wanted: no commitment of U.S. combat troops but virtually all of the court support possible to back up the dictates of the so-called Reagan Doctrine. That means fighting communism by supporting anti-Communist resistance forces everywhere: Nicaragua, Afghanistan, Angola, Ethiopia, Cambodia.

It also means operating beyond the bounds of public accountability. If that means lying, bending or breaking the law, so be it. The cause is what counts. The means are secondary.

Harry Truman, who created the CIA 40 years ago, expressed this concern about it after leaving office:

"This quiet intelligence arm of the president has been so removed from its intended role that it is being interpreted as a symbol of sinister and mysterious foreign intrigue... We have grown up as a nation respected for our free institutions and for our ability to maintain a free and open society. The Reagan wanted: no commitment of U.S. combat troops but virtually all of the court support possible to back up the dictates of the so-called Reagan Doctrine. That means fighting communism by supporting anti-Communist resistance forces everywhere: Nicaragua, Afghanistan, Angola, Ethiopia, Cambodia.

It also means operating beyond the bounds of public accountability. If that means lying, bending or breaking the law, so be it. The cause is what counts. The means are secondary.

Harry Truman, who created the CIA 40 years ago, expressed this concern about it after leaving office:

"This quiet intelligence arm of the president has been so removed from its intended role that it is being interpreted as a symbol of sinister and mysterious foreign intrigue... We have grown up as a nation respected for our free institutions and for our ability to maintain a free and open society. The Reagan wanted: no commitment of U.S. combat troops but virtually all of the court support possible to back up the dictates of the so-called Reagan Doctrine. That means fighting communism by supporting anti-Communist resistance forces everywhere: Nicaragua, Afghanistan, Angola, Ethiopia, Cambodia.

It also means operating beyond the bounds of public accountability. If that means lying, bending or breaking the law, so be it. The cause is what counts. The means are secondary.

Harry Truman, who created the CIA 40 years ago, expressed this concern about it after leaving office:

"This quiet intelligence arm of the president has been so removed from its intended role that it is being interpreted as a symbol of sinister and mysterious foreign intrigue... We have grown up as a nation respected for our free institutions and for our ability to maintain a free and open society. The Reagan wanted: no commitment of U.S. combat troops but virtually all of the court support possible to back up the dictates of the so-called Reagan Doctrine. That means fighting communism by supporting anti-Communist resistance forces everywhere: Nicaragua, Afghanistan, Angola, Ethiopia, Cambodia.

It also means operating beyond the bounds of public accountability. If that means lying, bending or breaking the law, so be it. The cause is what counts. The means are secondary.

Harry Truman, who created the CIA 40 years ago, expressed this concern about it after leaving office:

"This quiet intelligence arm of the president has been so removed from its intended role that it is being interpreted as a symbol of sinister and mysterious foreign intrigue... We have grown up as a nation respected for our free institutions and for our ability to maintain a free and open society. The Reagan wanted: no commitment of U.S. combat troops but virtually all of the court support possible to back up the dictates of the so-called Reagan Doctrine. That means fighting communism by supporting anti-Communist resistance forces everywhere: Nicaragua, Afghanistan, Angola, Ethiopia, Cambodia.

It also means operating beyond the bounds of public accountability. If that means lying, bending or breaking the law, so be it. The cause is what counts. The means are secondary.

Harry Truman, who created the CIA 40 years ago, expressed this concern about it after leaving office:

"This quiet intelligence arm of the president has been so removed from its intended role that it is being interpreted as a symbol of sinister and mysterious foreign intrigue... We have grown up as a nation respected for our free institutions and for our ability to maintain a free and open society. The Reagan wanted: no commitment of U.S. combat troops but virtually all of the court support possible to back up the dictates of the so-called Reagan Doctrine. That means fighting communism by supporting anti-Communist resistance forces everywhere: Nicaragua, Afghanistan, Angola, Ethiopia, Cambodia.

It also means operating beyond the bounds of public accountability. If that means lying, bending or breaking the law, so be it. The cause is what counts. The means are secondary.

Harry Truman, who created the CIA 40 years ago, expressed this concern about it after leaving office:

"This quiet intelligence arm of the president has been so removed from its intended role that it is being interpreted as a symbol of sinister and mysterious foreign intrigue... We have grown up as a nation respected for our free institutions and for our ability to maintain a free and open society. The Reagan wanted: no commitment of U.S. combat troops but virtually all of the court support possible to back up the dictates of the so-called Reagan Doctrine. That means fighting communism by supporting anti-Communist resistance forces everywhere: Nicaragua, Afghanistan, Angola, Ethiopia, Cambodia.

It also means operating beyond the bounds of public accountability. If that means lying, bending or breaking the law, so be it. The cause is what counts. The means are secondary.

Harry Truman, who created the CIA 40 years ago, expressed this concern about it after leaving office:

"This quiet intelligence arm of the president has been so removed from its intended role that it is being interpreted as a symbol of sinister and mysterious foreign intrigue... We have grown up as a nation respected for our free institutions and for our ability to maintain a free and open society. The Reagan wanted: no commitment of U.S. combat troops but virtually all of the court support possible to back up the dictates of the so-called Reagan Doctrine. That means fighting communism by supporting anti-Communist resistance forces everywhere: Nicaragua, Afghanistan, Angola, Ethiopia, Cambodia.

It also means operating beyond the bounds of public accountability. If that means lying, bending or breaking the law, so be it. The cause is what counts. The means are secondary.

Harry Truman, who created the CIA 40 years ago, expressed this concern about it after leaving office:

"This quiet intelligence arm of the president has been so removed from its intended role that it is being interpreted as a symbol of sinister and mysterious foreign intrigue... We have grown up as a nation respected for our free institutions and for our ability to maintain a free and open society. The Reagan wanted: no commitment of U.S. combat troops but virtually all of the court support possible to back up the dictates of the so-called Reagan Doctrine. That means fighting communism by supporting anti-Communist resistance forces everywhere: Nicaragua, Afghanistan, Angola, Ethiopia, Cambodia.

It also means operating beyond the bounds of public accountability. If that means lying, bending or breaking the law, so be it. The cause is what counts. The means are secondary.

Harry Truman, who created the CIA 40 years ago, expressed this concern about it after leaving office:

"This quiet intelligence arm of the president has been so removed from its intended role that it is being interpreted as a symbol of sinister and mysterious foreign intrigue... We have grown up as a nation respected for our free institutions and for our ability to maintain a free and open society. The Reagan wanted: no commitment of U.S. combat troops but virtually all of the court support possible to back up the dictates of the so-called Reagan Doctrine. That means fighting communism by supporting anti-Communist resistance forces everywhere: Nicaragua, Afghanistan, Angola, Ethiopia, Cambodia.

It also means operating beyond the bounds of public accountability. If that means lying, bending or breaking the law, so be it. The cause is what counts. The means are secondary.

Harry Truman, who created the CIA 40 years ago, expressed this concern about it after leaving office:

"This quiet intelligence arm of the president has been so removed from its intended role that it is being interpreted as a symbol of sinister and mysterious foreign intrigue... We have grown up as a nation respected for our free institutions and for our ability to maintain a free and open society. The Reagan wanted: no commitment of U.S. combat troops but virtually all of the court support possible to back up the dictates of the so-called Reagan Doctrine. That means fighting communism by supporting anti-Communist resistance forces everywhere: Nicaragua, Afghanistan, Angola, Ethiopia, Cambodia.

It also means operating beyond the bounds of public accountability. If that means lying, bending or breaking the law, so be it. The cause is what counts. The means are secondary.

Harry Truman, who created the CIA 40 years ago, expressed this concern about it after leaving office:

"This quiet intelligence arm of the president has been so removed from its intended role that it is being interpreted as a symbol of sinister and mysterious foreign intrigue... We have grown up as a nation respected for our free institutions and for our ability to maintain a free and open society. The Reagan wanted: no commitment of U.S. combat troops but virtually all of the court support possible to back up the dictates of the so-called Reagan Doctrine. That means fighting communism by supporting anti-Communist resistance forces everywhere: Nicaragua, Afghanistan, Angola, Ethiopia, Cambodia.

It also means operating beyond the bounds of public accountability. If that means lying, bending or breaking the law, so be it. The cause is what counts. The means are secondary.

Harry Truman, who created the CIA 40 years ago, expressed this concern about it after leaving office:

"This quiet intelligence arm of the president has been so removed from its intended role that it is being interpreted as a symbol of sinister and mysterious foreign intrigue... We have grown up as a nation respected for our free institutions and for our ability to maintain a free and open society. The Reagan wanted: no commitment of U.S. combat troops but virtually all of the court support possible to back up the dictates of the so-called Reagan Doctrine. That means fighting communism by supporting anti-Communist resistance forces everywhere: Nicaragua, Afghanistan, Angola, Ethiopia, Cambodia.

It also means operating beyond the bounds of public accountability. If that means lying, bending or breaking the law, so be it. The cause is what counts. The means are secondary.

Harry Truman, who created the CIA 40 years ago, expressed this concern about it after leaving office:

"This quiet intelligence arm of the president has been so removed from its intended role that it is being interpreted as a symbol of sinister and mysterious foreign intrigue... We have grown up as a nation respected for our free institutions and for our ability to maintain a free and open society. The Reagan wanted: no commitment of U.S. combat troops but virtually all of the court support possible to back up the dictates of the so-called Reagan Doctrine. That means fighting communism by supporting anti-Communist resistance forces everywhere: Nicaragua, Afghanistan, Angola, Ethiopia, Cambodia.

It also means operating beyond the bounds of public accountability. If that means lying, bending or breaking the law, so be it. The cause is what counts. The means are secondary.

Harry Truman, who created the CIA 40 years ago, expressed this concern about it after leaving office:

"This quiet intelligence arm of the president has been so removed from its intended role that it is being interpreted as a symbol of sinister and mysterious foreign intrigue... We have grown up as a nation respected for our free institutions and for our ability to maintain a free and open society. The Reagan wanted: no commitment of U.S. combat troops but virtually all of the court support possible to back up the dictates of the so-called Reagan Doctrine. That means fighting communism by supporting anti-Communist resistance forces everywhere: Nicaragua, Afghanistan, Angola, Ethiopia, Cambodia.

It also means operating beyond the bounds of public accountability. If that means lying, bending or breaking the law, so be it. The cause is what counts. The means are secondary.

Harry Truman, who created the CIA 40 years ago, expressed this concern about it after leaving office:

"This quiet intelligence arm of the president has been so removed from its intended role that it is being interpreted as a symbol of sinister and mysterious foreign intrigue... We have grown up as a nation respected for our free institutions and for our ability to maintain a free and open society. The Reagan wanted: no commitment of U.S. combat troops but virtually all of the court support possible to back up the dictates of the so-called Reagan Doctrine. That means fighting communism by supporting anti-Communist resistance forces everywhere: Nicaragua, Afghanistan, Angola, Ethiopia, Cambodia.

It also means operating beyond the bounds of public accountability. If that means lying, bending or breaking the law, so be it. The cause is what counts. The means are secondary.

Harry Truman, who created the CIA 40 years ago, expressed this concern about it after leaving office:

"This quiet intelligence arm of the president has been so removed from its intended role that it is being interpreted as a symbol of sinister and mysterious foreign intrigue... We have grown up as a nation respected for our free institutions and for our ability to maintain a free and open society. The Reagan wanted: no commitment of U.S. combat troops but virtually all of the court support possible to back up the dictates of the so-called Reagan Doctrine. That means fighting communism by supporting anti-Communist resistance forces everywhere: Nicaragua, Afghanistan, Angola, Ethiopia, Cambodia.

It also means operating beyond the bounds of public accountability. If that means lying, bending or breaking the law, so be it. The cause is what counts. The means are secondary.

Harry Truman, who created the CIA 40 years ago, expressed this concern about it after leaving office:

"This quiet intelligence arm of the president has been so removed from its intended role that it is being interpreted as a symbol of sinister and mysterious foreign intrigue... We have grown up as a nation respected for our free institutions and for our ability to maintain a free and open society. The Reagan wanted: no commitment of U.S. combat troops but virtually all of the court support possible to back up the dictates of the so-called Reagan Doctrine. That means fighting communism by supporting anti-Communist resistance forces everywhere: Nicaragua, Afghanistan, Angola, Ethiopia, Cambodia.

It also means operating beyond the bounds of public accountability. If that means lying, bending or breaking the law, so be it. The cause is what counts. The means are secondary.

Harry Truman, who created the CIA 40 years ago, expressed this concern about it after leaving office:

"This quiet intelligence arm of the president has been so removed from its intended role that it is being interpreted as a symbol of sinister and mysterious foreign intrigue... We have grown up as a nation respected for our free institutions and for our ability to maintain a free and open society. The Reagan wanted: no commitment of U.S. combat troops but virtually all of the court support possible to back up the dictates of the so-called Reagan Doctrine. That means fighting communism by supporting anti-Communist resistance forces everywhere: Nicaragua, Afghanistan, Angola, Ethiopia, Cambodia.

It also means operating beyond the bounds of public accountability. If that means lying, bending or breaking the law, so be it. The cause is what counts. The means are secondary.

Harry Truman, who created the CIA 40 years ago, expressed this concern about it after leaving office:

"This quiet intelligence arm of the president has been so removed from its intended role that it is being interpreted as a symbol of sinister and mysterious foreign intrigue... We have grown up as a nation respected for our free institutions and for our ability to maintain a free and open society. The Reagan wanted: no commitment of U.S. combat troops but virtually all of the court support possible to back up the dictates of the so-called Reagan Doctrine. That means fighting communism by supporting anti-Communist resistance forces everywhere: Nicaragua, Afghanistan, Angola, Ethiopia, Cambodia.

It also means operating beyond the bounds of public accountability. If that means lying, bending or breaking the law, so be it. The cause is what counts. The means are secondary.

Harry Truman, who created the CIA 40 years ago, expressed this concern about it after leaving office:

"This quiet intelligence arm of the president has been so removed from its intended role that it is being interpreted as a symbol of sinister and mysterious foreign intrigue... We have grown up as a nation respected for our free institutions and for our ability to maintain a free and open society. The Reagan wanted: no commitment of U.S. combat troops but virtually all of the court support possible to back up the dictates of the so-called Reagan Doctrine. That means fighting communism by supporting anti-



OPINION

**Bork: Southern Blacks May Hold the Veto**

By Tom Wicker

NEW YORK — If the nomination of Judge Robert Bork to sit on the Supreme Court is doomed, as last-minute White House efforts to raise the "law-and-order" issue suggest, the reasons lie in faulty strategy and sharply changing voting patterns.

When President Reagan insisted in his weekend radio address that Judge Bork's opponents wanted to "thwart the desire of the American people" for judges who would bring criminals to justice, he unwittingly signaled White House desperation. Not only is "law and order" one of Reagan's old standbys; but the fact is that the Supreme Court already has a functioning "law-and-order" majority.

In 1984, for instance, in *U.S. vs. Leon*, the court by a 6-2 majority significantly modified the so-called exclusionary rule under which illegally seized evidence is not admissible at trial. The controversial *Miranda* rule, under which police must warn suspects that they have a right to remain silent, has been weakened progressively in several court decisions taken by majorities of at least 6-3 and sometimes 7-2.

To summon Americans to battle for the Supreme Court tough on criminals, therefore, is unnecessary, since such a court already exists. Besides, it is not for criminal justice but for other social issues — the rights of minorities, for example — that conservatives so strongly want Judge Bork on the court.

That Mr. Reagan has to resort to such tactics is a measure of the poor prospects

of a nominee who once seemed sure to be confirmed, if only after a tough battle in the Senate. What went wrong?

First, it appears in retrospect that it was a mistaken strategy for Bork supporters to try to picture him as a moderate, mainstream jurist in the tradition of the man he was nominated to succeed, Lewis Powell of Virginia, and of such great justices of the past as Oliver Wendell Holmes and Louis Brandeis. Whatever else he was, Judge Bork was not that, as his academic record and his writings clearly showed.

That record and those writings, when closely examined, demonstrated that Judge Bork had argued against the degree of free expression supported by Justices Holmes and Brandeis, deplored the latter's antitrust opinions, strongly opposed Justice Powell's arguments on affirmative action, and in many other areas held strong, idiosyncratic views that often were interesting and challenging but seldom were moderate or mainstream.

Judge Bork might have survived his own record, except for the fact that, on questioning from the Senate Judiciary Committee, he repeatedly denied it. Apparently having agreed to the strategy of being depicted as a moderate, he found himself time and again forced to say that he no longer believed something he had written in the past, or that he would not vote that way on the court. This appear-

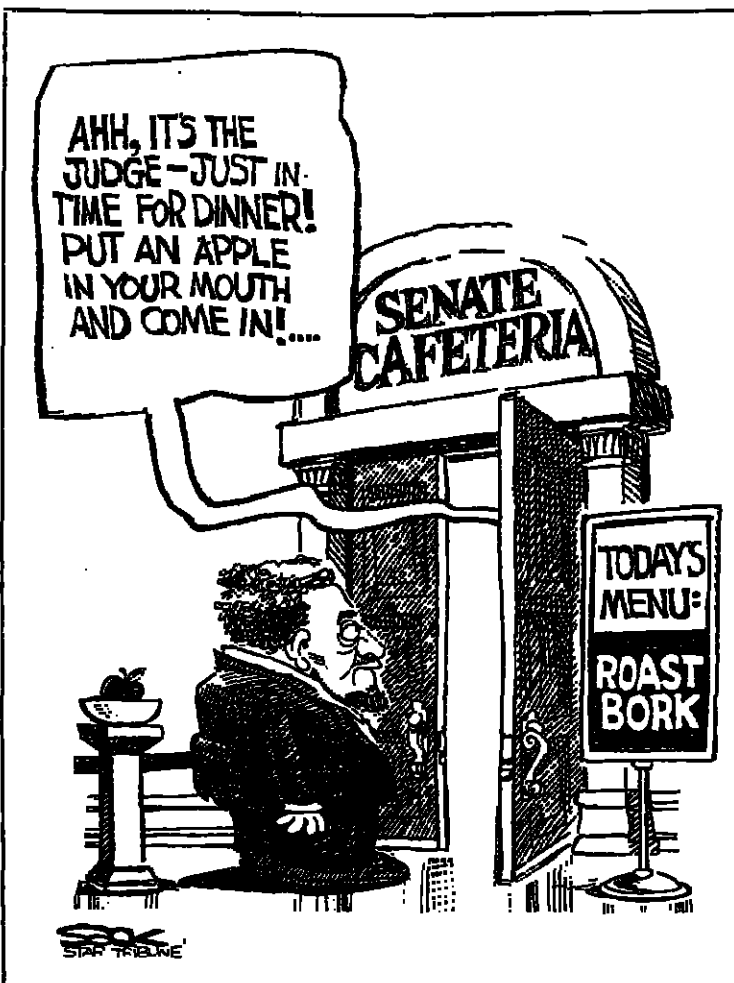
ance of a "confirmation conversion" — saying anything necessary to win senators' approval — diluted his supporters' arguments that he was a man of strong and independent judgment.

But if any one factor seems more responsible than another for the desperate straits of the Bork nomination, it is the new voting power of blacks in the conservative South. As Jack Bass of the University of Mississippi pointed out in an article in *The New York Times* on Sept. 21, none of the 16 Southern Democratic senators can expect to be supported by a majority of the white voters of their states; too many of those whites have migrated into the conservative Southern Republican parties, or will support more conservative Republican candidates in a general election.

These Democratic senators — like all five of those first elected in Southern states last year, each of whom was strongly opposed by President Reagan — must depend on black voters if they are to put together winning majorities. Blacks, in the South as elsewhere, are strongly opposed to Judge Bork's confirmation to the high court; so Southern blacks are a prime reason why the Southern Democrats who might once have supported any conservative nominee now are lining up to vote against one of the most conservative nominees of modern times.

A more graphic result of the new voting strength of Southern blacks could hardly be imagined.

*The New York Times.*



**When the Movers Show Up, Say a Prayer and Serve Tea**

By Denis M. Blakeley

GARSTANG, England — The fall is the cruelest season of the year, breeding greed out of corporate mellowness — greed for a post "abroad" and a salary increase. It is a time when international executives move on, when mastodon calls to mastodon across the primeval swamp, which may be the Atlantic or the Gulf or the inaptly named Pacific.

"Hey, Joe, how'd they treat you in Paris? I'm your replacement there. What little tips can you give me about moving?"

A move usually involves movers. They come to take your apartment apart and are supposed to deliver your goods in one piece at the other end. I write with some authority, having moved 20 times in the last 20 years: London-Moscow, Moscow-

without breakage was from Moscow to Garstang in a lift van, courtesy of a Helsinki firm. *Nothing* was broken: Then there was the delivery from Paris to Lancashire of all my worldly goods courtesy of a French firm. This delivery straddled two British and French public holidays. There were two men involved, each of enormous strength. The move was performed with precision.

There are certain recommendations to be made about moving within Europe.

1. Choose your firm carefully. It helps to listen to what other people have to say about their moves.

2. Be well-insured and always claim for breakage quickly. A local agent may come around to check the damage. The outcome is likely to depend upon the inspector — and on the country. I have found that the West Germans are willing to pay up, as are the British. In my experience, the French never pay.

3. Movers are always in a hurry. On their arrival at your new residence you must know precisely where you wish to have each piece of furniture put.

4. Movers are people. Offer them tea and sympathy. Today in Frankfurt, tomorrow in London. They have a job to do and usually they do it well.

5. Offer up a prayer for Saint Christopher, the guardian angel of travelers. I also carry a traveling icon. Who was it who said, "Superstition is the example of a feeble mind?"

Movers come in different sizes and shapes. (I find that the big ones are the worst.) They also come in different moods. They may be drunk or sober, rested or tired. It depends on whether they have a good frontier crossing for not; it depends, also, on what they were doing yesterday — was it a good haul from Bonn to Paris? A good haul of mind should be established at the beginning, largely by the provision of tea.

Many movers are hirsute, either because of negligence or simply because they have not had time or inclination to shave in the driving compartment, in which most of them sleep. British movers, however, prefer a bed at a truck drivers' stop, with fish and chips to boot.

Movers are strong in the back; not all of them are weak in the head. One of my movers, an Austrian, blocked a side road near the Quai d'Orsay for the best part of a day. A gaggle of coppers came to protest. He said in perfect, grammatical French with only a slight Graz accent: "Mesdames, you see the Eiffel Tower there? That cannot be moved today. Our truck can be moved. But unless you have a written letter from the president of the Republic we shall not move."

Move they do, with different modalities. May they keep on trucking.

*International Herald Tribune.*

MEANWHILE

London, London-Paris, Paris-Munich, Munich-Munich, Paris-Paris, Paris-Vienna, Vienna-Munich, Paris-London. Can that all be right? The mind boggles.

How to move? The simplest way is to do it yourself. When I went from London to Moscow I packed all my things in my car and drove. However, other moves have had to be farmed out. Of that I have good news and bad news. A lot depends on the quality of the firm. In Europe, the West Germans are the best but the French can be good, too.

First the bad news: I had hired a Munich-based firm to take our goods from Bonn to Paris. The result was perfect — the packing immaculate, the planning excellent. When the time came for us to move from Paris to Munich I hired the same firm.

This time, the motley crew was made up of tip-seeking Frenchmen and others of indeterminate nationality, working the "black economy." They arrived at 9 A.M. — two hours later than promised. They departed at 11:30 A.M. with a third of our worldly goods in their van, saying that they knew of a good restaurant in Versailles (some distance outside Paris). They reappeared at 3:30 P.M., much the worse for wear, to finish loading.

We had been assured that the same truck would be used for the passage from Paris to Munich. In fact, our belongings were chucked from one truck to another in Frankfurt. The movers, however, stayed the distance. They turned up in Munich, babbling in various languages, to say that our "baggage" had arrived, that they had no Deutsche marks and wanted to know where they could sleep.

I said that was none of my problem and went to sleep on the floor. Most of our Meissen was irreparably damaged. I woke the German boss of the Munich-based Paris operation to tell him so. "You will be paid," he said. I never was.

And now the good news: The only delivery that I ever had

to realize what we are getting for all we spend on the dodo-bird B-1B bombers. That a group shouting "supply side" should get away with its cuts in that most fundamental of capital investments, education, is sad witness to our, and Mr. MacArthur's, unwillingness to see the real problem: the misdirection of scarce, often borrowed, resources.

HERMAN ARCHER, Cairo.

No Americans Applied

In response to "Official Au Pair Programs" (Letters, Sept. 29) from Camille Pisk, vice consul of the American Consulate General in Munich:

Although I have advertised extensively in the United States, offering an excellent salary, free time, use of car and travel expenses, I have never had the opportunity to employ a U.S. citizen as none has ever applied. It appears that housework and child care do not appeal in such an affluent country as the United States. In desperation I am forced to search elsewhere to find a suitable, willing au pair — even in Communist countries.

SUZANNE GLENN, Los Angeles.

To Clear the Air

Regarding "B-1B Bomber Crashed After It Hit Flock of Birds" (Sept. 30):

Since a few birds recently downed a \$230 million B-1B bomber, I am concerned that birds could potentially obstruct the nation's defense. Since Americans were able to defoliate forests in Vietnam, why not rid the earth of these security threats? Killing all the birds may prove expensive, but considering how much has been invested in the B-1B program, why spare the expense?

SCOTT FAIGEN, Stuttgart.

After Evil, Understanding

Regarding the report "Painfully, Young U.S. Jews Get to Know Germans" by Serge Schmemmann (Sept. 28):

I am of the generation that lived through the Holocaust. As a girl of 15, I stood in the streets of Munich cheering the troops as they goose-stepped for the first time there. Little did I, a Jewess, realize what evils were to follow. In 1936, I was living in London with my husband and trying to help a small part of the

refugees arriving after harrowing experiences, but alive and with hope.

Now I have contact with many Germans, young and old. I know that there are many who do as much as they can to atone for the sins of their fathers and grandfathers, and I realize that many risked their lives during those ghastly times to help others. We all must try to understand one another and to live together. That is why the Stanford University program is so important and why its expansion should be encouraged.

EILEEN SCHLESINGER, Zurich.

A Different Brand of Debt

Regarding "Debt, Let Us Not Forget, Built America" (Sept. 26):

If indeed we do not need tight-fisted cracker-barrel economics, we certainly do not need the self-excusing superficialities of John R. MacArthur. The America-building debt he refers to created vast wealth-producing farms, industries and national infrastructure. The debt of the last years, to the contrary, has been mostly used to purchase the sterile trinkets of frenzied consumption, civilian and military. One has only to look at the decline of American manufacturing and

A New Alliance Is Needed

We recently returned from the Soviet Union, where, with 150 other Americans, we raised the possibility of a Soviet-American partnership to end world hunger in talks with the head of the Soviet Institute for African Studies, the chairman of Soviet Athletes for Peace, health professionals, representatives of Soviet and American news organizations in Moscow, and many ordinary citizens.

Fifteen million people, mostly children, die of hunger each year. This toll is equivalent to that of a Hiroshima bomb every three days. In addition, hunger accounts for much physical and mental retardation. Whole nations are affected and, indirectly, we all are. Experts have concluded repeatedly that we have enough food to feed nearly twice the world's population, and that ending hunger is technologically possible. What is needed is the commitment.

During World War II, the United States and the Soviet Union fought together to conquer a common enemy. We call upon President Reagan and General Secretary Mikhail Gorbachev to create an alliance once again, to make a joint statement committing themselves and their nations to ending hunger through

out the world by the year 2000. The victory would be one not only for the hungry, but for all humankind.

BARRY LEVY, GORDON STARR, Sberborn, Massachusetts.

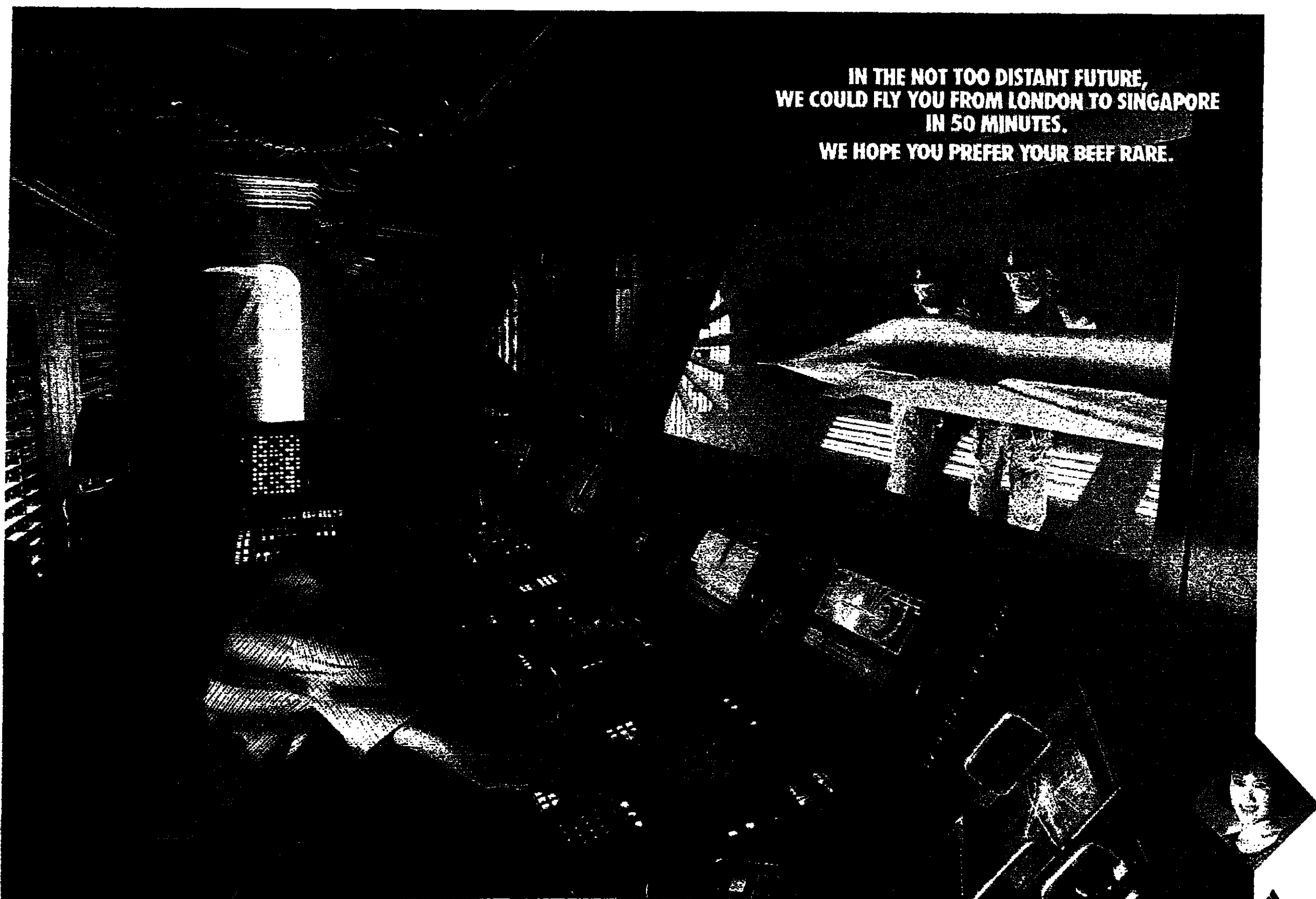
Too Simple to Work?

Regarding "Idea for 1988: A Natural U.S.-Soviet Partnership" (Sept. 1):

Jean-Jacques Servan-Schreiber cites "simple" ideas that worked and then professes one of his own. But because others' ideas worked does not mean this one will. "True security is higher knowledge," he writes, and recommends "sharing open research labs with the Soviets ... to change U.S.-Soviet hostility into a joint competition of trained brains in the knowledge revolution that is transforming the world economy."

This idea is indeed simple. Is sharing research labs with America going to get the Soviets out of Afghanistan, the Baltic states, Hungary and Czechoslovakia? Are they going to scrap their missiles, their submarines, their tanks and their warplanes because of it? One wonders.

CAL HENRY, Stockholm.



IN THE NOT TOO DISTANT FUTURE,  
WE COULD FLY YOU FROM LONDON TO SINGAPORE  
IN 50 MINUTES.  
WE HOPE YOU PREFER YOUR BEEF RARE.

As the airline with the world's most modern fleet, we're eagerly following the development of this experimental hypersonic passenger aircraft, which could be operating by the turn of the century. Travelling at twenty five times the speed of sound, it would enable us to fly you from, say, London to Singapore in a mere 50 minutes. Or from San Francisco to Hong Kong in one hour. However, we do envisage some minor changes to the menu. We do hope, for example, that you like your roast beef rare. SINGAPORE AIRLINES



There's still no place like it. Call home.

No matter where your business takes you, don't let it take you away from family and friends. Just pick up the phone. And feel the warmth of home. Reach out and touch someone.



The right choice.

The UNICEF Solution to Save Thousands of Babies Daily.



One of the most important single factors responsible for the death of five million children a year is not drought or famine, but dehydration caused by diarrhea.

...solution saves the lives of over 1,300 children in the developing world - daily. And a lot more could be saved.



This type of primary health care is only one example of Unicef's commitment to the well-being of children in the developing world. In co-operation with local government partners, Unicef provides not only emergency relief, but maternal support, primary health care and education programmes, which promote long-range community self-help.

If you want to help us help children, buy Unicef Greeting Cards this holiday season, or contact your nearest Unicef National Committee for more information.

Children Count on Us. Can We Count on You?



United Nations Children's Fund

THIS SPACE HAS BEEN DONATED BY SPONSORS

Launch Glasnost Into Space, Soviet Urges

By Bill Keller New York Times Service MOSCOW — Thirty years after the launching of the first Sputnik began the space age, Soviet scientists celebrated with a weekend display of space glasnost and an appeal for international cooperation in exploring the solar system.

But participants at the conference said the recent display of openness in the Soviet space program had helped consolidate international scientific support and pressure for a joint Mars probe.

Botha Backs Idea of Integrated Housing

By William Claiborne Washington Post Service JOHANNESBURG — President Pieter W. Botha gave the government's endorsement Monday to limited reforms in South Africa's apartheid laws that would permit some integrated communities where the residents want it.

But he endorsed the commission's recommendation that residents of a neighborhood could utilize a "local option" and rezone their community for interracial living, subject to a veto by a government-appointed provincial administrator.

South Africa City Short of Water After Flood

United Press International DURBAN, South Africa — More than half of Durban was without water Monday, and officials urged hospitals to handle only emergency cases as repair teams continued to work around the clock on pipelines destroyed in a flood that has claimed up to 325 lives.

Mr. Haswell said it could take another week to restore running water to the 70 percent of Durban now without fresh water. Until then, most of the city of 800,000 will continue to rely on water brought in by truck, he said.

INTERNATIONAL CLASSIFIED

Real estate, employment, hotels, low cost flights, access voyages, executive positions, wanted, international classified ads.

Escorts & Guides, international escorts, various agencies and services listed.



# For Many Maryland Farmers, Signs Are Pointing Toward the End of Tobacco Road

By Tom Vesce  
Washington Post Service

LOTHIAN, Maryland — Henry Jones worked down the rows of tobacco plants Friday morning for the last time this year, and maybe forever.

He chopped the plants at the ground and, with a helper and his son Jimmy, loaded them onto a trailer and hauled them to the barn to cure. It was a time for hard work and some hard reflection, too, because the fields Mr. Jones, 69, has farmed in southern Anne Arundel County since 1933 may never again be planted with tobacco.

"I like farming and everything, but it's getting rough," Mr. Jones said. "I'm old. I'm broke up. I can't drive the tractor. I don't know what to say about the tobacco. It's fading out. Lord knows what I'm going to do."

Mr. Jones was talking like a lot of tobacco farmers in the county and in the rest of Maryland. Prices keep falling, and the cheap labor on which tobacco depends is in short supply. Fields that once grew tobacco are now growing corn for hog and chicken feed and, increasingly, hay for horses. Old farmers are retiring, and their children are not taking their places.

Tobacco farmers are casting about for new sources of income such as boarding horses. Or they are turning away from farming in favor of driving construction equipment, doing carpentry or taking a few hours' break each day to drive school buses.

Others, like William Tucker of Lothian, a fourth-generation tobacco farmer, have turned to real estate.

"Houses," Mr. Tucker said, "that seems to be the main crop in Anne Arundel County these days. The only difference is that it's permanent. It uses up the land forever."

According to 1982 census figures, 60 percent of the county's farm families received income from nonfarming jobs. Today, some extension agents say, that figure is about 80 percent.

If tobacco is in its twilight, then it had a long time in the sun. Tobacco has been a major crop in Maryland since the first recorded fields were planted in 1632. Last year, Maryland was the country's seventh-largest tobacco-producing state.

But the value of Maryland's tobacco crop has dropped in recent years, from \$58 million in 1981 to \$32 million last year. By comparison, Maryland's most important farm product, broiler chickens, increased in value from \$327 million to \$426 million in the same period.

The amount of farmland devoted to tobacco has dramatically declined in Anne Arundel in the last five years, as it has throughout Maryland. There were 3,000 acres (1,200 hectares) of tobacco planted in the county in 1983, 2,700 acres in 1984, 2,300 in 1985 and about 2,000 in 1986. This year, county extension agents estimate that the figure was near 1,500.

Maryland echoes the situation nationwide, which has seen a steady decline in farm acreage devoted to tobacco. According to Department of Agriculture figures, tobacco acreage harvested dropped by 38 percent in the last seven

years, from 976,000 acres in 1981 to 601,570 in 1987.

At the same time, the prices fetched by Maryland tobacco have slumped from \$1.75 a pound in 1981 to \$1.18 last year.

"I have no reason to believe the market is going to make a tremendous rebound," said the county extension agent, Turp Garrett. "Even with a modest price increase, I think you are going to see a decline in tobacco next year, too."

Many farmers said a shortage of cheap labor for the labor-intensive work of tobacco farming was causing problems, too.

"At one time, you could pick up labor anywhere," said Oscar Grimes, 63, a Davidsonville farmer who grew six acres of tobacco this summer instead of his usual 12 to 14. "Now people just don't want to get their hands dirty."

Tobacco has resisted mechanization more than any other crop grown in the area. The seeds are planted by hand in carefully protected beds late in the winter and transplanted to the fields in spring.

In the summer, the flower buds must be removed by hand. In the late summer and fall, the plants must be cut down by hand and strung up in barns by hand. After several weeks left to cure and dry, leaves must be stripped off, graded and bundled by hand.

The Department of Agriculture estimates that growing and harvesting an acre of tobacco take an average of 230 man-hours, compared with the two to three man-hours for an acre of corn. On the other hand, an acre of good tobacco can be worth \$3,000, while an acre of grain corn may fetch less than \$200.

Mr. Grimes, who is president of the county Farm Bureau, said farmers were convinced that tobacco was, increasingly, a harvest of the past.

"This no-smoking scare, this cigarette scare, has taken its toll," said Mr. Grimes, who does not smoke. "I'm sure the big tobacco companies see the writing on the wall."

In recent years, the consumption of cigarettes in the United States has fallen 1 to 2 percent annually. As he cut tobacco Friday, Mr. Jones bemoaned the loss of farmland.

"All people are doing now is building houses, stores and everything," he said. "They don't think about the farm. But when the farmer is gone, everybody is gone, and when all our land is gone, we're dead. Because we live off the land. We don't live off the roads."

## In Indonesia, a Ravaging of Forests

### Trees Fall to Lumbering, Fires and Settlement Programs

Reuters

SAMARINDA, Indonesia — Forests in Borneo are disappearing under an onslaught from commercial logging, fires, and settlers eager for land.

Indonesia owns 10 percent of the world's tropical forests, more than any other country except Brazil, and it is using them to earn foreign exchange as its oil reserves dwindle.

Each year the world loses an area of tropical forest the size of Portugal, according to the United Nations Development Program.

Up to 2.4 million acres (1 million hectares) of rain forest are cut down every year in Indonesia, according to the Food and Agriculture Organization.

Eight million more acres of forest are to be cleared for settlers during a five-year plan ending next year.

A West German forestry biologist, Berthold Siebert, suggested that the country's forests could be saved if Indonesia was compensated for preserving them.

"Why not pay to protect the forest, as is being done in Bolivia?" he asked.

Bolivia agreed in July to set aside 3.7 million acres of forest after Conservation International, a nonprofit U.S. group, bought \$650,000 of Bolivia's \$4 billion external debt.

Indonesia has set aside 15 percent of its 355 million acres for preservation and has taken tough measures against illegal logging, including requiring permits for chain saws.

Thousands of logs cut from primary rain forest float daily down the broad Mahakam River, destined for plywood factories and sawmills that have sprung up in Samarinda, the timber capital of Indonesia.

Timber exports earned \$1.4 billion in 1986, making Indonesia the world's leading exporter of plywood and other wood products.

Most of its 300 major sawmills and 98 plywood factories were built after Jakarta outlawed log exports in 1980.

The settlement program, started partly because of Indonesia's rapidly growing population, has met criticism from Western environmentalists.

It has ground to a virtual halt because of steep budgetary cuts, and the World Bank has said it will stop financing new settlements and concentrate on improving existing ones.

Miners following logging trails left by timber companies are also contributing to the destruction of the forests as they exploit gold and diamonds.

Billions of tons of coal are thought to lie underneath the forests on Borneo, the world's third biggest island, which is shared by Indonesia with Malaysia and Brunei.

The coal seams ensure that once a fire breaks out, the forest floor can burn for a long time.

A fire blazed out of control for nine months in 1982 and 1983, destroying 8 million acres. The International Union for the Conservation of Nature in Paris called the fire the worst ecological disaster of the century.

Parts of Borneo are burning again. The national news agency, Antara, counted 37 fires in September in the Kalimantan region during a drought attributed to El Niño, a Pacific Ocean current.

The government has blamed the fires on Dayak nomadic tribes, who practice slash-and-burn agriculture.

But David Boyce, an Australian agricultural consultant who has spent the last 10 years working among the Dayaks, said they are the hardest hit victims of deforestation.

"They pick wild plants for food and medicine, hunt game, and use tree sap for their hunting poisons and bark for dyes and clothing," he said. "They depend on forest products for trade, too."

Dayaks gather rattan, incense wood, resins and aloes, edible birds nests, reptile skins, bees wax, and animal innards such as monkey gall bladders to use in medicines, Mr. Boyce said.

**Up to 2.4 million acres of rain forest are cut down every year in Indonesia.**

— Food and Agriculture Organization



## Works of Proust Lose Copyright After 65 Years

Reuters

PARIS — Almost 65 years after his death, Marcel Proust became public property Monday with the expiration of copyright laws restricting publication of the author of "Remembrance of Things Past."

The French publisher, Gallimard, had held exclusive rights to publish Proust's works.

A protracted legal battle ensued after Proust's death in 1922, eventually resulting in a decision that halted all non-Gallimard publications of Proust for 64 years and 274 days.

Four Paris publishers have said they plan new versions of his work. Japanese, British and U.S. publishers are also expected to issue new editions.

## Maria Ivogün, 95, Star Of German Opera, Dies

By Will Crutchfield  
New York Times Service

NEW YORK — Maria Ivogün, 95, the leading coloratura soprano of German opera in the period between the world wars, died Saturday in Beatenberg, Switzerland.

She was born Maria Kemper in Budapest. Her stage name was a construction based on the name of her mother, Ida von Günther, an operetta singer.

Miss Ivogün made her debut as Mimi in "La Bohème" in 1913, under the direction of Bruno Walter in Munich. Guest appearances took her to the leading opera houses of New York, Chicago, London and Milan. Her artistic home base remained Munich until 1925, when she followed Walter to Berlin.

Her principal roles were Susanna in "The Marriage of Figaro," the Queen of the Night in "The Magic Flute" and the leading female parts in "The Barber of Seville," "Rigoletto," "Don Pasquale" and other operas. She was the first to sing Zerbinetta in the revised version of Strauss' "Ariadne auf Naxos."

In 1921, she married the tenor Karl Erb. They were divorced in 1932, and in the next year she married the pianist Michael Rauchschen, who died in 1984.

At the time of her second marriage she retired from singing, still, as her recordings of 1932 demonstrate, at the height of her powers. She then began a long and notable career as a teacher. Among her many successful pupils were the sopranos Rita Streich and Elisabeth Schwarzkopf.

Miss Ivogün made about 60 recordings from 1916 to 1932. They show a fresh, silvery voice and a merry style that could be tinged with pathos in melancholy arias.

Kenneth Slack, 70, British Clergyman

LONDON (AP) — The Reverend Kenneth Slack, 70, a Presbyterian and one of Britain's best-known church leaders, is dead, the BBC reported Sunday night.

Dr. Slack was awarded the British Empire Medal for his services as a chaplain in World War II. He wrote 11 books, broadcast frequently and was a regular correspondent for newspapers and periodicals on religious affairs.

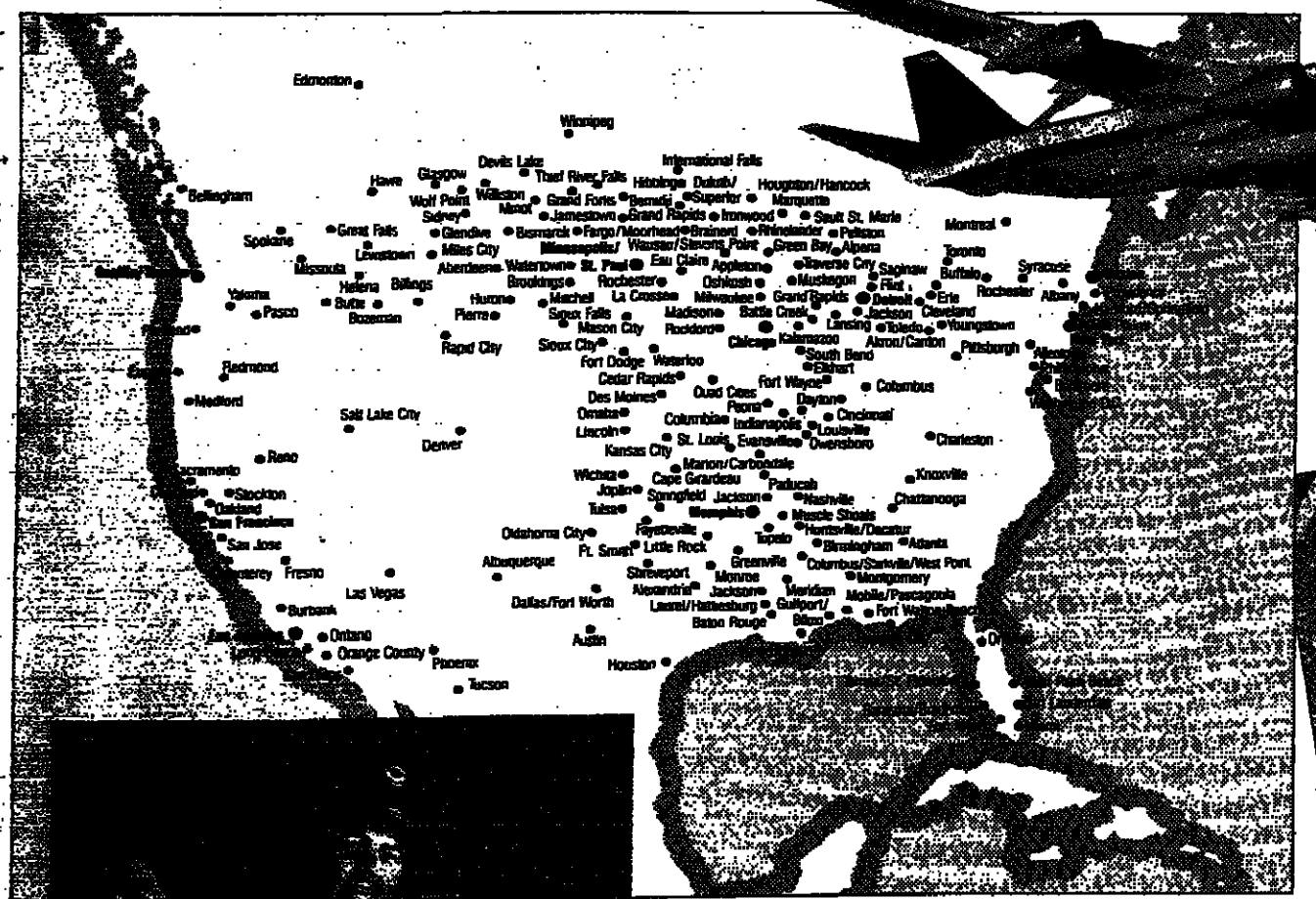
New York gives you many hotels to choose from. But only one St. Regis.

St. Regis Sheraton

Many of its guests is the signature of a great hotel.

25th Avenue at 52nd Street, New York. The hospitality people of I.T.T. Toll-free in UK 0800-353525, in W. Germany 0150-3535. In New York (212) 739-6500. Telex: 146368.

# Look who gives you so much more of America.



At London Gatwick and at airports across the USA, there are Northwest "WORLDCLUB" lounges where you can relax in comfort between flights. First Class and Executive Class passengers can use these facilities free of cost on the day of travel. And Northwest is pleased to accept the American Express Card to charge full "WORLDCLUB" membership.

If you are visiting several USA cities, a multi-coupon Northwest Visit USA Pass, purchased before leaving Europe, can offer valuable fare savings. Travellers from some European countries can also benefit from Northwest's WORLDPERKS free flight plan and "City Package" programme.

Now is the time to apply for the American Express Card

NORTHWEST

"VISIT USA" Passes 1987

WORLDPERKS

Travel in Europe

Northwest Airlink services offer convenient connections to almost 200 cities across America. And Northwest warmly welcomes the American Express® Card for all your ticket charges.

On Northwest's Transatlantic 747 and DC10 flights, First Class and Executive Class passengers enjoy the luxury of exclusive Regal Imperial service, including choice of menus, with free wines and drinks, separate check-in, and priority baggage delivery on arrival.

And, of course, the American Express Card is the ideal choice for charging in-flight duty-free purchases, and even excess baggage.

Call us! For details of Northwest flights, fares and special promotions in your area, contact your travel agent or call any of the following Northwest offices:

London 01-629 5353	Geneva 22-45 29 30	Paris 1-42 25 74 36
Amsterdam 020-26 31 61	Glasgow 041-236 4175	Rome 06-4757 957
Athens 01-324 0233	Fukuoka 90-601 066	Stockholm 08-14 28 80
Bahamas 528348	Jeddah 02-6598479	Tel Aviv 03-295 183
Braselton 02-218 82 62	Manchester 01-280-4222	Vietnam 0222-5128709
Copenhagen 01-34 88 99	Manila 02-865 952	Zurich 01-251 2000
Dubai 03-6948342	Moscow 701133	
Houston 01-717 766	Mumbai 068-23 43 44	
Frankfurt 069-23 43 44	Oso 02-11 20 10	

Or contact any of the American Express Travel Service or Representative Offices at over 1400 locations worldwide.

If you are not yet enjoying the benefits of Cardmembership, pick up an application form from any Northwest office.

AMERICAN EXPRESS Cards

Look to us.

NORTHWEST



# Oslo, Bonn Clash Over Next Chief Of NATO

OSLO—Norway and West Germany clashed Monday over the handling of the first open contest for the position of secretary-general of NATO.

Oslo launched a sharp attack on the Bonn government, implying that it was running a damaging press campaign in favor of the West German defense minister, Manfred Wörner.

West Germany accused Norway of having failed to notify members of the 16-nation North Atlantic Treaty Organization before making a public announcement that a former Norwegian prime minister, Kaare Willoch, would run against Mr. Wörner for the post.

Lord Carrington of Britain will step down as secretary-general in June of next year. Government sources in Bonn have said that Mr. Wörner has already won crucial U.S. backing for the post.

"Norway does not think that NATO, or its secret consultative procedures, would be well served by a public press campaign," said a Foreign Ministry spokesman, Per Faust. "We have no information that confirms the picture presented in the West German press."

In Bonn, government sources said Norway had not informed allied countries that it would be offering a candidate before it made its announcement Aug. 14.

A senior government source, who declined to be identified, also said that Mr. Willoch's position as president of the International Democratic Union, a conservative group, would disqualify him from taking the NATO post.

"That's rubbish," Mr. Faust said. "Willoch is already on record as saying he would quit his position in the IDU if elected."

Norwegian newspapers of all political viewpoints have voiced outrage in editorials at the way the matter has been handled, with frequent accusations that Bonn is arrogantly trying to bulldoze its way into the job.

At NATO headquarters in Brussels, a Norwegian source discounted an earlier report from Bonn that apparent support for Mr. Wörner would force Mr. Willoch to pull out of the race.

The rivalry between the two men marks the first time that there has been public competition for the job. Diplomats said the final choice was expected to emerge by consensus among the allies, with no formal vote being taken.



James A. Baker 3d, the U.S. Treasury secretary, discussing the trade agreement. Behind him are Pat Carney, left, Canada's trade minister, and Michael Wilson, finance minister.

# ASSESS: Pact to Create World's Largest Free Market

(Continued from Page 1) jumping-off point for sales in the United States.

The agreement also deals with major agricultural problems that have arisen between the nations. It eases Canadian import restrictions on wheat, grain and poultry products, and removes transportation subsidies provided by Canada for grain shipped to the United States.

In the energy area, the United States will allow Canada to take oil from Alaska's North Slope, and each nation agreed to end import and export restrictions.

Canada has some of the highest tariffs in the industrial world. "We have achieved a win-win solution, clearly beneficial to both countries," said Finance Minister Michael Wilson, who headed the Canadian negotiating team. He called the pact "a powerful signal against protectionism and for trade liberalization."

U.S. trade officials spent much of Sunday briefing key members of Congress, whose support will be needed to ratify the pact. Congressional aides complained that the briefings were vague. Because of the lack of specific information, key lawmakers were reluctant to comment on the agreement. The chairman of the Senate Finance Committee, Lloyd Bentsen, Democrat of Texas, whose support is crucial for congressional approval, said, "It's impossible to arrive at any conclusions other than to say it has to be an agreement that benefits both sides."

Treasury Secretary James A. Baker 3d, who headed the U.S.

team along with Clayton K. Yeutter, the president's special trade representative, said the talks ended with "an agreement in principle" that will be fleshed out over the next few days and presented to Congress within a month. The administration has 90 days to get legislation to Congress, which then has another 90 days to vote for or against.

In Ottawa, Prime Minister Brian Mulroney, who proposed the agreement to Mr. Reagan 19 months ago, briefed his cabinet. Mr. Wilson, speaking to reporters in Washington, predicted that Canada's 10 provincial premiers, who have the power to thwart key elements of the deal, will go along with it.

The free trade agreement has become a major issue in Canada, where workers feared it would cost them jobs and cultural nationalists worried that it would lead to greater economic domination by the United States. Three attempts to achieve a free trade agreement have failed in the past 100 years, twice because of Canadian fears of annexation or economic domination. The critical issue for Canada was the creation of some shelter from U.S. unfair trade laws, which the Mulroney government complained were being applied capriciously to harass Canadian imports. Canada had demanded a binational tribunal with binding powers to deal with all trade disputes.

The Reagan administration said it could not go that far. Instead, it was agreed to create panels that would replace judicial review of de-

terminations by U.S. and Canadian authorities on trade complaints. [Technical arguments had continued throughout Saturday over the scope of the panel, with the Canadians insisting that it be broadly based and the United States seeking to keep it narrow. Mrs. Carney told The New York Times that, with another impasse looming at 10 P.M. Saturday, Mr. Baker gave the problem to U.S. administration lawyers and told them to "be creative."]

# Many U.S. Executives Back Trade Accord

By Kurt Eichenwald  
New York Times Service  
NEW YORK—Many U.S. business leaders have expressed strong support for the sweeping free trade agreement reached by negotiators for the United States and Canada.

While uncertain about the agreement's essential elements, most business leaders said Sunday that the accord was a significant step toward expanding trade between the countries and stemming the rising support in Congress for trade measures they view as protectionist.

"Perhaps the most important thing about it is that it shows that, for all the pressures for more protection, countries can move toward more open trading arrangements," said Thomas O. Enders, managing director of Salomon Brothers and a former U.S. ambassador to Ottawa.

Many business leaders urged members of the U.S. Congress and members of Parliament in Canada, both of which will have to approve the agreement before it is ratified, not to waste the opportunities created by the pact.

"This agreement is of historic importance," E. L. Artz, the president of Procter & Gamble International, said in a statement. "Several previous opportunities have been lost; this time we need to succeed."

Some business leaders said they might begin a lobbying effort in Congress in support of the pact once they review its specific elements.

"We look forward to seeing the agreement and hope to provide a cross-section of support from a

large cross-section of American business," said James D. Robinson, chairman and chief executive of American Express Co. and chairman of the Reagan administration's Advisory Committee on Trade Negotiations.

David Rockefeller, former chairman of Chase Manhattan Bank, said "There may be specific companies in both countries that have trouble with it, as is the case with any change of this magnitude. But, overall, for the country and for consumers, it is a good thing."

Representatives of the lumber industry said their support was contingent on the status of a memorandum of understanding reached last year that increased tariffs on softwood lumber imports.

"If all of our rights under the memorandum of understanding are intact, we have nothing to object to," said Stanley S. Demmon, chairman of the Coalition for Fair Lumber Imports, an industry group.

The settlement of the softwood lumber dispute, reached in December 1986, voided a 15 percent penalty on Canadian lumber imports to the United States that were valued at nearly \$3 billion a year. Instead, Canada agreed to impose a 15 percent export tax on shipments of pine, spruce, Douglas fir and other woods used in home construction.

Business leaders were particularly concerned about protection of intellectual property in Canada.

The intellectual property dispute has had significant impact on the U.S. pharmaceutical industry's business in Canada, because of the freedom Canadian companies have to develop their versions of pharmaceutical products in the United States.

While the trade pact includes provisions to "make progress" in the protection of pharmaceuticals in Canada by liberalizing compulsory licensing provisions, U.S. pharmaceutical industry officials had hoped that more could be accomplished.

Among the industries that are expected to benefit most quickly from the pact are banking and other financial services, as well as manufacturing and retail sales.

# BORK: 3 More Senators Join the Opposition to Judge

(Continued from Page 1)

fight on for the nomination, declaring that only "over my dead body" would he be defeated before reaching the full Senate.

But Mr. DeConcini said, "I think it's over." The assistant majority leader in the Senate, Alan Cranston, Democrat of California, said his "very accurate projection" showed 52 opposed, 42 in favor with 6 senators' positions unknown.

## Libel Award Denied

The Supreme Court denied Monday a bid by a former Mobil Corp. president to reinstate a \$2 million libel award for a 1979 article that said he set up his son in a London-based shipping company, Reuters reported. The justices let stand a U.S.

Court of Appeals ruling in March that threw out the libel award against The Washington Post for the front-page article.

The article said the former executive, William Tavoulares, used his influence in 1974 to set up his son, Peter, as a partner in the London-based Atlas Maritime Co., a company that had a multimillion dollar contract with Mobil.

It implied that Mr. Tavoulares had misused corporate assets and his position to help his son by steering Mobil business to Atlas.

Mr. Tavoulares's lawyers, in asking the high court to hear the case, said the 7-to-1 full appeals court decision should not have rejected a jury finding that the article was false.

In their libel suit, Mr. Tavoulares and his son sought \$50 million in damages, charging that the article was false, that it embarrassed them and held them up to ridicule.

After a 21-day trial in 1982, a jury found that the newspaper had libeled the former oil company executive and awarded him \$2,050,000 in damages.

But the trial judge in 1982 overturned the jury's decision, ruling that there was no evidence the newspaper acted with malice or that the story contained lies or statements made in reckless disregard for the truth.

The court also dismissed Monday a challenge to a ruling that the Bohemian Club, an all-male group that includes President Reagan, must hire women at its retreat in California, where members often stroll nude.

# JACKSON: Candidate Tries to Put More Colors in Rainbow of Support

(Continued from Page 1)

Carolina because of high name recognition. Well, that's true."

"But I wasn't born with high name recognition!" he said, to the cheers and laughter of the crowd. "I earned high name recognition!"

He then launched into a recitation of his leadership over the last two decades in areas ranging from open housing and public accommodations, to voting rights and registration, to affirmative action, to his missions to release American prisoners held abroad, to his more recent work on behalf of farmers.

Mr. Jackson was preaching to the choir. In October 1983, 54 percent of all blacks named him as the most important black leader in America. Now 76 percent of all blacks think he is. No other black figure attracted more than 1 percent in the poll.

In his stump speeches, Mr. Jackson mixes old appeals with new

ones. Anti-drug exhortations remain his trademark, as they have for more than a decade. "Don't pickle your brains in liquor," he told the Brooklyn rally. "Don't put cocaine in your membrane."

At his frequent high-school visits, he asks students who are drug users to come forward (invariably, some do), and tells them: "If I am elected president, I will do my share to cut the supply of drugs. But you must do your share to cut the demand for drugs."

Some of Mr. Jackson's economic plans are newer. He calls for investing 10 percent of all public employee pension funds into a fund that would be used for housing construction, infrastructure repair and mass transit. He urges increasing taxes on profitable corporations and creating tax disincentives for companies to move plants and jobs abroad.

He calls for shifting 4 percent of the federal budget away from mili-

tary spending and toward education and housing; for pointing federal research dollars toward health care and commercial applications rather than military ones, and for a return of land to farmers who have lost it through foreclosures.

"You listen to him, and he makes a lot of sense," said Larry Hunt, a farmer who heard Mr. Jackson speak recently in Pleasantville, Iowa, where the farming economy has been in trouble for the last five years. "I really feel he was talking to us. We're kind of fighting the same fights he fought years ago."

Many others, of course, continue to view Mr. Jackson with suspicion and fear. His relations with Jews, in particular, are strained. In 1984, Mr. Jackson's campaign lost much of its claim to moral high ground after it was disclosed he referred to New York City as "Hyymietown," and when he accepted the support of the Nation of Islam leader,

Louis Farrakhan, who had made anti-Semitic remarks.

Mr. Jackson has since disassociated himself from Mr. Farrakhan. He has also met with Jews, trying to improve relations. The results have been mixed.

For his part, Mr. Jackson says he has spent the last four years getting to know different cultures better, getting to know the country better, and is upbeat about the results. Recently, he met in Iowa with members of an anti-war group, who told him he had come in first in a survey they had taken. One asked whether Mr. Jackson had any cause for hope in a world filled with the threat of nuclear destruction.

"I get hope," he replied, "because in my lifetime I went to catch a bus with my mother and the sign above the bus driver's head said, 'Colored seat from the rear.' That sign doesn't exist any more. My mother had to pull me to



Jesse L. Jackson

the back. I said I wanted to sit up front. She said, 'Let's go.' She pinched me. "It hurt her to hurt me. She was conditioning me to reduced options. Now, from the back of that bus to the front of your poll is a long way and a cause for hope."

# TIBET: Tighter Controls in Lhasa

(Continued from Page 1) said a small poster found in an alley in the center of the city. "Now it is time to act. Ten, 20, or 30 more may die. We must all make sacrifices."

Such small posters go up at night, and the police tear them down the next day.

Monks have told reporters that although they have no weapons they are prepared to fight the Chinese with their fists and would use guns if they could get them.

The monks say that they have been encouraged by certain signs and portents that speak of a new era for Tibet bringing the return of the Dalai Lama, the exiled Tibetan Buddhist leader.

The fervor of Buddhist believers remained evident throughout central Lhasa after the violent events of Thursday. Within sight of the ruined police station, Tibetan pilgrims paying their respects at the Jokhang, the holiest of Tibetan Buddhist temples, prostrated themselves on the ground.

The police withdrew from the center of Lhasa after the riots. The only unusual activity in that part of the city Sunday and Monday was the occasional appearance of Chinese helicopters overhead and repeated warnings from loudspeakers against rebellious activities.

Police increased security at Lhasa's airport and appeared to be trying to keep Tibetans who have links

with the Dalai Lama from entering or leaving the country.

The Chinese have blamed the Dalai Lama for the demonstrations, the first of which consisted of a visit by the Buddhist leader to the United States.

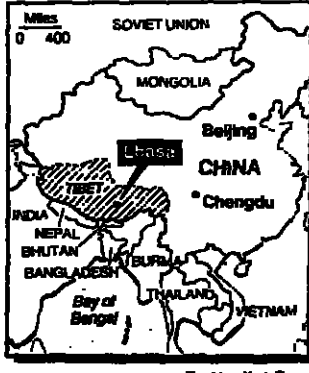
The authorities have put up posters warning foreigners not to participate in demonstrations or take photographs of them.

Several foreigners were seen throwing stones in the demonstration Thursday. A young backpacker, identified as an American, narrowly escaped injury when a police bullet passed through his makeshift turban.

The government offered lenient treatment to those who have engaged in violence if they surrender by Oct. 15. Scores of monks were reported to be missing from their monasteries and in hiding.

Two Americans visiting Lhasa were detained for questioning by the police because they carried Tibetan nationalist flags on their bags. Blake Kerr, 29, a physician from Buffalo, New York, and John Ackery, 30, a lawyer from Washington, said they were questioned for three to four hours a day for three days but were allowed to return to their hotel each night.

Foreign doctors visiting Tibet as tourists treated a number of monks and others who were wounded in the rioting. They said most of the injuries were gunshot wounds, with a few severe burns.



The New York Times

Wounded monks avoided Chinese hospitals, fearing that they would be arrested.

The Chinese have also restricted telecommunications in Lhasa.

The tighter security measures were signaled by a show of force by police Saturday night. Shortly before 10 P.M., the curfew hour, police in motorbikes and sidecars with sirens screaming, raced through the streets. At midnight, a convoy of jeeps and trucks loaded with armed men roared through the city. Motorcycle patrols and convoys continued to move throughout the night.

A witness said that on Saturday night motorcycle policemen stopped when they spotted a Tibetan who raised his fist at them in anger. Nearly 20 policemen dismounted, pointed guns at the man and pressed him against the wall, the witness said, and did not release him until he apologized.

# SIKH: Shrine Sits Empty

(Continued from Page 1)

Sikhs feel helpless is their growing perception that all are blamed for the actions of a few. The analysis also think the government's rejection of legitimate Sikh grievances has strengthened the extremists' hold.

Sikhs assert that the crackdown on militants has led to the arrest of hundreds, perhaps thousands, of young Sikh men on spurious charges while the guilty have gone free. They say further that most Sikhs killed by the police were innocent. There have been more than 200 such deaths this year.

The police deny that innocent people have been killed, or detained for more than brief periods. But they acknowledge that they are moving more aggressively to infiltrate Sikh groups, extract confessions from suspects and then move in on specific targets.

Among ordinary Sikhs, bitterness derives from charges that Mr. Gandhi failed to keep promises to Sikh leaders, such as transferring the capital city, Chandigarh, to the sole control of Punjab. The city is shared as a capital by Punjab and the neighboring state of Haryana.

Mr. Gandhi says he kept most of the promises but on some matters did not because the Sikhs did not live up to certain bargains. For example, Sikh leaders did not give up parts of Punjab's territory to Haryana in return for Chandigarh. Sikhs make up at least 60 percent of Punjab's population.

Ill feelings between Mr. Gandhi and moderate Sikhs are almost back at the level of 1984, when many Sikh leaders were jailed on charges of sedition.

The government has consistently weakened and made the moderate Sikhs irrelevant," said Balwant Singh Ramboowalia, a Sikh member of Parliament. "When the government supports the silent majority of Sikhs, the people will rally behind the moderates and the government."

The moderates cite many other disappointments. No significant punishment has been carried out, for example, against those who set off anti-Sikh rioting in 1984 after the assassination of Prime Minister Indira Gandhi, Rajiv Gandhi's mother, by two Sikh security guards. About 2,500 Sikhs died in the rioting in New Delhi alone.

Moreover, as violence by Sikh extremists in Punjab rose last spring, Mr. Gandhi removed the state's Sikh leaders, putting the state under his control. The leaders' removal dealt the most serious blow to the moderates and the state's former chief minister, Surjit Singh Barnala.

In recent months, politicians say that other spectacular actions by the extremists, such as a massacre of 72 Hindus on two buses in July, have further poisoned the atmosphere and made concessions by Mr. Gandhi even more unlikely.

Attacks on Hindus in recent years have persuaded some to flee the state.

Many analysts say the extremists hope this will hasten their long-term goal, the creation of a separate



A self-proclaimed Sikh militant at the Golden Temple, Sikhism's holiest shrine, now emptied by extremist violence.

nation for Sikhs to be known as Khalistan, or Land of the Pure.

Perhaps the most dramatic indication of the moderates' weakness is that in the last six months the hierarchy of the Sikh religion has been taken over by extremists who condone or engage in violence.

The extremists maintain that they are acting out of revenge for the killings of innocent Sikhs. Many demand strict adherence to religious tenets, not simply the wearing of turbans and unshorn beards but prohibitions against makeup or revealing clothing such as saris for women. Many Sikhs object to these demands.

By virtually every account, most Sikhs oppose the creation of an independent Khalistan. A tiny landlocked agrarian state lodged between India and Pakistan is widely seen as unlikely to survive. "All you have to do is look at a map

to see that it is a crazy idea," said Khushwant Singh, a prominent Sikh historian and novelist.

Some analysts say the developments pose a crisis for Sikhism, a monotheistic faith that arose 500 years ago as an offshoot of Hinduism and a mystical branch of Islam. For example, the Sikh Temple Management Committee, which runs hundreds of temples in Punjab, has fallen into debt because contributions have dried up.

Police officials say they are reluctant to enter the Golden Temple to arrest extremists unless they can be sure of capturing major figures.

Their hesitation stems from the outcry among Sikhs every time the police enter the temple precincts, especially when Mr. Gandhi sent troops into the temple in 1984 to rout extremists who shut themselves in with huge caches of arms. The police say the militants now roaming the temple are probably carrying only hidden small arms.

Indian leaders say the only glimmer of hope is the growing indication that most Sikhs in Punjab have turned against the militants. But a tour through the state indicates that they also seem to oppose the police and the government.

"The people who are carrying out these killings must have some

powerful agency protecting them," said Bassant Singh, 30, head man of Ishapur village, a community of 1,200 in the farmlands of eastern Punjab. "Otherwise they could not escape as they always do."

Mr. Singh said that for generations Hindus and Sikhs had lived together peacefully in Punjab and that they could do so again if all sides, the militants as well as the government, started talking to one another.

"There is injustice from both sides, from the government and the terrorists," he said. "None of us want Khalistan. But we also don't want discrimination against Sikhs. All we want is equal rights with the other citizens of India."

Swiss Foreign Minister Announces Resignation

BERN—Foreign Minister Pierre Aubert of Switzerland said Monday that he would leave his post when his term expires in December.

Mr. Aubert, a Social Democrat, has been foreign minister since 1978 and also holds the rotating office of president this year.

# UNESCO: M'Bow Is Gaining Support for a Third Term

(Continued from Page 1) countries have announced their support for another candidate. Foreign Minister Sahabzada Yaqub Khan of Pakistan.

The French decision was considered particularly important because UNESCO is headquartered in Paris and because France has traditionally sought to promote the

interests of French-speaking African countries such as Senegal.

"Yaqub Khan is the one who has the best chance of creating unity to enable UNESCO to get by this difficult moment," a French official said.

It was unclear whether France also planned to use its considerable influence with African countries to oppose Mr. M'Bow.

Some countries, particularly in Latin America, have expressed reluctance to support Mr. Yaqub Khan because he was a career military officer before entering diplomacy and as foreign minister has served President Mohammed Zia ul-Haq, a general who took over Pakistan in a military coup.

In addition, some reports have tagged him as the "American candidate," underlining the North-South divisions left by Mr. M'Bow's management style and the Reagan administration's pullout. The Executive Board's decision

must be endorsed by the full General Conference, which begins a one-month session Oct. 20.

This approval has traditionally been routine. But diplomats suggested that this time it could be crucial if the Executive Board selects Mr. M'Bow and France or other countries seek to reverse the decision.

Under Mr. M'Bow, UNESCO has been strongly accused of having failed to carry out its mandate fully. The organization has been spending 80 percent of its budget in the Paris headquarters rather than in the poor countries it is supposed to target, the critics say.

Mr. M'Bow has also been accused of an unnecessarily confrontational management style. Dragoljub Najman, a Yugoslav former assistant director-general, whom Mr. M'Bow dismissed, recently wrote:

"It has been a despotic management, demoralizing the Secretariat and alienating many member countries. It has been an ideological confrontation, deliberately substituting confrontation for cooperation. It has been a reckless management, wasting scarce resources and dissipating good will."

# U.K. to Start Cleanup Of Windscale Reactor

The Associated Press  
SEASCALE, England—The Atomic Energy Authority announced Monday a major cleanup operation for a plutonium-producing reactor at the former Windscale nuclear plant that 30 years ago was one of the world's worst nuclear accidents.

John Collier, authority chairman, said the cleanup would take 10 years and cost "tens of millions" of pounds. The reactor burned out of control for five days after overheating on Oct. 7, 1957. The plant in northwestern England renamed Sellafield, is now the world's largest nuclear reprocessing center.

# Moscow Is Urged To Pardon Rust

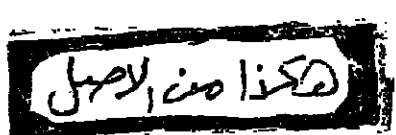
The Associated Press  
BONN—Foreign Minister Hans Dietrich Genscher has asked the Soviet authorities to pardon the West German pilot who landed a small plane near Red Square in Moscow, officials said Monday.

A Foreign Ministry spokesman, Klaus-Hermann Ringwald, said the appeal was made in September, when Mr. Genscher met in New York with the Soviet foreign minister, Eduard A. Shevardnadze.

The 19-year-old pilot, Mathias Rust, was sentenced Sept. 4 by a Moscow court to four years in a labor camp.

# Finnish Leader Visits Soviet

MOSCOW—President Mauno Koivisto of Finland arrived Monday in Moscow for an official visit.





ARTS / LEISURE

On the Shelves: Pop, Jazz Discs

By Mike Zwerin
International Herald Tribune
PARIS — The following is the first in an aleatoric series of reports about jazz and pop records of unusual interest.

"I Love Jazz" (French CBS): The 56 releases in this series have sold more than a million copies in Europe. The producer (and former jazz pianist) Henri Renaud concentrated on reissuing quality, marketable albums by musicians in need of no liner notes like Dave Brubeck, Erroll Garner, Stan Getz, Billie Holiday ("Lady In Satin"), Mahalia Jackson, Thelonious Monk and Toots Thielemans. Uninitiated Europeans (the series is not released in the United States) who wish to learn to love jazz might start with such repackaged compilations as "Louis Armstrong's Greatest Hits," "Benny Goodman plays George Gershwin" and "Fourteen Classics" by Count Basie. "We've taken jazz out of the ghetto," says Renaud. "Most of our sales have been in supermarkets and suburban malls. Shoppers just check out a Mahalia Jackson record along with the cheese."

Gilberto Gil, "Soy Loco Por Ti America" (WEA): The ambitious, eclectic, talented guitarist, singer, songwriter and metaphysician Gil has never done better work. "I don't speak musical languages anymore," he says. "I speak in dialects. Those who speak reggae will understand reggae; those who speak samba will understand samba, it's some kind of Esperanto." Growing up in Bahia, northeastern Brazil, Gil assimilated styles from afro to toada by way of high life, calypso, reggae, funk, jazz, bossa nova and the French chanson. Gil says he's been "taking many cues, and these made me search for a fine focused meaning of reality. I take a shot, develop it, and — blam!"

Les Brown, "Digital Swing" (Fantasy): The demise of Count Basie, Duke Ellington, Tommy Dorsey and Glenn Miller did not terminate their formations, which became known as "ghost bands." How does a leader's presence affect the music being performed? Basie was a pianistic minimalist, to put it mildly, and as a conductor he was not exactly Leonard Bernstein. Yet the post-Basie Basie band has become — ghostly. The Ellington orchestra under the direction of his son Mercer is a shadow of its former self and if Duke's ghost is, in



Ferré's flare; Versace's mini coat and (center) his bell skirt.

Milan's Minis

Compiled by Our Staff From Dispatches
MILAN — There has been a mini-revolution on Milan's runways, where the spring ready-to-wear shows are featuring miniskirts, minidresses and minisuits.

Only a year ago, the Italian ready-to-wear designers playfully revived the miniskirt in an effort to lighten their staid tailored collections and make them more competitive with frivolous French fashion. To their surprise, the new look got rave reviews and the French immediately retaliated by yanking up their own hemlines.

In March, the battle continued with each side of the Alps claiming the record for the shortest mini for the winter of 1987-88.

Relegated for almost two decades to the fashion attic, the mini suddenly has reappeared on city streets with a boldness unknown to its Carnaby Street forerunner.

The halls of the Milan trade fair, where the spring-summer 1988 Italian ready-to-wear shows are being staged, are a microcosm of the world outside. Black leather miniskirts, super-short mini sweater dresses, chic plaid suits with blazer jackets almost longer than the matching skirt, are the "in" look among fashion editors and buyers attending the shows.

Krizia, who never shies from a daring trend — back in the early 1980s at the start of shoulder-pad-

ding, her box-shoulders could out-tackle any college fullback — presented her all-skirt collection with the longest outfit at least four inches above the knee.

The overall look is relaxed and youthful, safari style by day and birthday party demure by night with ruffled petticoat dresses in candid white or sweet floral prints.

Gianfranco Ferré presented his version of the summer mini, a super short skirt — at times so short it doesn't quite cover the buttocks. His peekaboo mini in black patent leather stamped to look like crocodile skin serves a double purpose: It can be a conversation piece as well as a water-resistant bathing suit.

Whereas Krizia shunned trousers in her collection, Ferré used them freely as an alternative to his minute mini. Loose and ankle-length, they came both in linen and soft silk, man-tailored or harem-style.

An important element of the new Ferré collection were super-structured stiff organza blouses.

In Emporio Armani, his lower priced line aimed at teenagers,

Giorgio Armani showed ultra-short sarongs as an alternative to shorts, sheaths or full skirts.

Already well-known to men and women who follow fashion for his elegant, understated attitude toward clothes, Armani is reaching a new public through movie theaters.

Armani did the costumes for the hugely successful Brian de Palma film "The Untouchables," set in the 1930s when Al Capone held sway in Chicago.

Anchored by the loose-fitting blazer jacket that is Armani's claim to fame, the collection branched

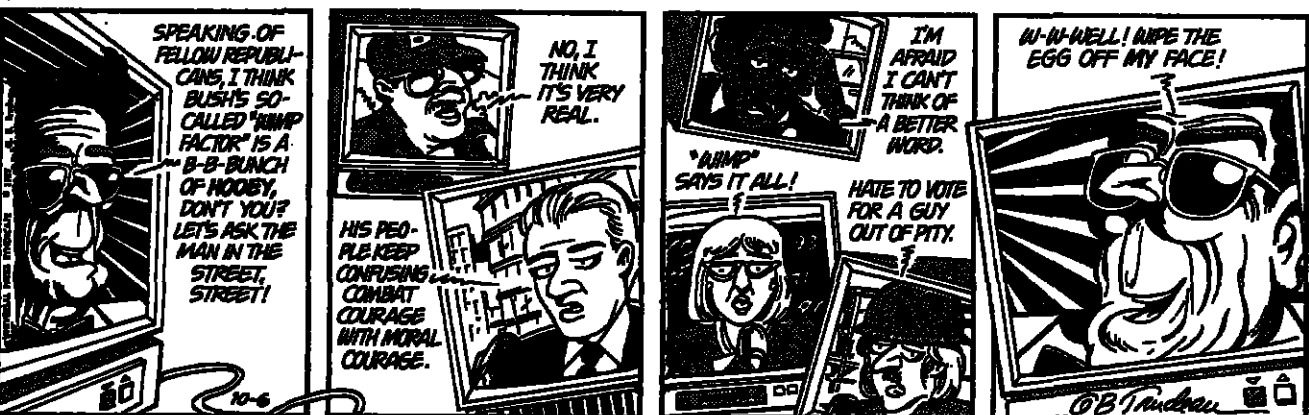
out into Bermuda shorts and drape-front skirts that just grazed the hips.

Valentino showed some of the shortest mini-skirts, in slinky python skins and supple woven leathers, going along with the look that is emerging in Milan this week — leggy but soft, ladylike and carefully constructed.

Gianni Versace celebrated his 20th season on the Milan runways with a collection full of short, stiff bell-shaped skirts and variations on a drastically feminized blazer he calls "the blady... a blazer made for a lady."

Bermudas from Emporio Armani; micro suit by Krizia.

DOONESBURY



New fall-winter collection ESCADA in Paris at special export prices Marie-Martine 8, Rue de Sévres, Paris 6th. 50, Fbg. St. Honoré, Paris 8th.



COMPLICE



NYSE Most Actives table with columns: Vol, High, Low, Last, Chg.

Market Sales table with columns: NYSE 4 a.m. volume, NYSE prev. close, etc.

NYSE Index table with columns: Composite, Industrials, Utilities, Finance.

Monday's NYSE Closing logo and text: Via The Associated Press

AMEX Diary table with columns: Class, Prev., Chg.

NASDAQ Index table with columns: Composite, Industrials, Finance, Utilities, Bonds, etc.

AMEX Most Actives table with columns: Vol, High, Low, Last, Chg.

Dow Jones Bond Averages table with columns: Bonds, Utilities, Industrials.

NYSE Diary table with columns: Class, Prev., Chg.

Odd-Lot Trading in N.Y. table with columns: Buy, Sell, % of Total.

Dow Jones Averages table with columns: Indus, Trans, Util, Comp.

Standard & Poor's Index table with columns: Industrials, Trans, Util, Comp, SP 500.

NASDAQ Diary table with columns: Class, Prev., Chg.

AMEX Stock Index table with columns: High, Low, Close, Chg.

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Large table of stock prices with columns: 12 Month High, Low, Stock, Div, Yld, PE, etc.

Prices Ease on Profit-Taking

NEW YORK — Prices on the New York Stock Exchange eased Monday in moderate trading after a day of profit-taking in which investors consolidated gains made last week. The Dow Jones industrial average, which soared nearly 71 points last week, was off 0.81 to 2,640.18. Declines led advances by a 4-3 ratio among the 1,954 issues traded. Volume amounted to about 153 million shares, down from 189.1 million traded Friday. Analysts said the market's downturn Monday was merely a breathing space while investors consolidated last week's advance. "It's just a normal setback from the good action last week," said Roff Anderson, vice president in Shearson Lehman Brothers Inc.'s equity trading department. "I'd be surprised if it falls below 2,600, but they're entitled to a little rest." Mr. Anderson said the breadth of last week's advance was "a little questionable," while some issues remain overextended, offering opportunities for profit-taking. Some market participants had expected a recovery from last week's weakness in the credit markets, but bond prices were lower Monday and the consequent higher yields attracted some investment funds away from equities. Robert Ritter, a technical analyst with L.F. Rothschild Holdings Inc., said the market, having recovered more than 120 points from recent lows, "was overbought and simply was overextended." But Mr. Ritter predicted that the retrenchment will be short. Anne Gregory, publisher of the Merrill Lynch Market Letter, said the securities giant's research group foresees stock prices hitting "moderate new highs before the end of the year." Ms. Gregory said Merrill analysts are optimistic about corporate earnings, predicting third-quarter results will be as much as 40 percent ahead of year-ago levels. Hanson Trust led the actives, gaining 1/4 to 15 1/4. Stock of Tenneco, rumored to be a potential takeover target, was second among the actives, gaining 2 1/4 to 59 1/4. National Semiconductor was third, rising 1/4 to 22. Elsewhere in the technology group, Digital Equipment rose 5/8 to 197 1/4, Cray Research 2 1/4 to 97 1/4, Intel 1/4 to 156 1/4, Wang Laboratories Class B 1/4 to 19 1/4 and Intel 1/4 to 62 1/4. Zayre was active, and also gained, rising 3/4 to 34 1/4. Zayre said the investor Edward DeBarolo Jr. informed it that a group he leads holds more than \$15 million of its stock. Union Carbide advanced 1/4 to 32 1/4 after the Supreme Court left intact lower-court rulings that hundreds of lawsuits relating to the 1984 disaster in Bhopal, India, should be tried in India.

Large table of stock prices (continued) with columns: 12 Month High, Low, Stock, Div, Yld, PE, etc.

Large table of stock prices (continued) with columns: 12 Month High, Low, Stock, Div, Yld, PE, etc.

Advertisement for Gold Information Centre: Diversify into Gold and Minimize Your Risk. Now. Why? Because gold moves independently of paper investments...

China's first international business magazine.

Jointly published by Business Week, International Management, and the People's Republic of China



Talk with 25,000 Chinese business, trade and government officials every month. In their own language. As China's first - and only - international business magazine...

and cover a broad range of business and economic news. Financial trends, Management techniques, Product and marketing development. Start speaking the language of new opportunity.

Business and Management logo and contact information for various cities.

(Continued on next left-hand page)



DBS GROUP
DBS INVESTMENT MANAGEMENT INTERNATIONAL LIMITED
Serving your asset management needs.

DAI-ICHI KANGYO BANK
We have your interests at heart

TUESDAY, OCTOBER 6, 1987

Page 11

INTERNATIONAL STOCK MARKETS

Worldwide, Prices Rise, But Pace of Growth Slows

By LAWRENCE J. DEMARIA
New York Times Service

NEW YORK — The world's stock markets continue to show strength in the sixth year of the bull market, although the pace of expansion has slowed. In the quarter ended last Wednesday, stock prices worldwide rose by 5.7 percent, according to figures compiled by Morgan Stanley Capital International.

The third quarter's 5.7% expansion compared with 8% in the second and 22% in the first.

The Mexican stock market turned in the best quarterly performance of an established market, shooting ahead by 67.9 percent in dollar terms. When measured against the peso, the gain was a spectacular 94.7 percent.

The poorest performance was in Italy, where stock prices slumped by 5.8 percent in dollar terms and 5.6 percent in lira terms.

The three biggest markets had middling performances: U.S. equities gained 5.8 percent, while, in dollar terms, Japan's gained 4.6 percent and Britain's 4.5 percent.

More impressive, perhaps, than any gain is the general vibrancy of the world's 57 national stock markets, which are attracting international investors in increasing numbers as the global financial and communications networks consolidate.

In any discussion of how individual stock markets performed in any quarter, one factor must be kept in mind: Just as within a single stock market certain sectors, such as technology stocks, outperform other sectors because they find favor with institutional investors for a time, entire national stock markets often do well in a quarter.

That is because billions are rotated into them by huge international players. These international investors, large corporations, governments, pension funds, mutual funds and individuals, control huge pools of money that slosh from one continent to another, filling up one stock market at the temporary expense of another.

Most of the money flows electronically between the three major markets, New York, London and Tokyo, but eddies flow into second-tier exchanges in Toronto, Frankfurt, Hong Kong, Australia and elsewhere. The internationalization of global finance and trade has also spurred the growth of smaller stock exchanges in Singapore, Mexico, Spain, South Korea, Thailand and Chile, among many others.

The reasons for shifts from one market to another are often currency-related. For example, Japanese and British investors who pull out of New York because the dollar weakens, and thus threaten to wipe out their gains in currency translation, may buy stocks in their own markets or in West Germany or Australia.

But simpler investment decisions may be at work. Markets that have had a hot streak naturally tend to cool off as investors take profits and seek more elsewhere.

Whatever the reasons for the international shifting of money, See BOURSE, Page 15

MoDo To Control Holmens

Purchase to Unite Swedish Firms

By Juris Kazza
International Herald Tribune

STOCKHOLM — Mo & Domsjö AB, a Swedish forest products group, said Monday that it had agreed to buy more than 1.9 million shares in Holmens Bruk AB, a paper and pulp goods company, giving it effective control. The price is 1.4 billion kronor (\$217 million).

The purchase, from Forvaltnings Rådet AB, an investment company, will give Mo & Domsjö, known as MoDo, 46.6 percent of the voting capital in Holmens Bruk.

The purchase, analysts said, brings MoDo closer to its ambition of building a third large Swedish-based forest products group beside Stora Kopparbergs Bergslags AB and Svenska Cellulosa AB.

MoDo's chairman, Mats Carlgren, has said that MoDo, Holmens, and Iggesund Bruk AB, a pulp and timber company, should be merged to form a group with around 15 billion kronor in annual sales, about the same as Stora and Svenska Cellulosa.

MoDo currently owns 39.9 percent of Iggesunds and controls 46.6 percent of the voting capital. Iggesund, in turn, holds 11.1 percent of the capital and 15.7 percent of the votes in Holmens.

MoDo also said it had agreed with Rådet to find a buyer, upon Rådet's demand, for the 9.8 percent of Iggesunds held by Rådet at 695 kronor per share. The arrangement essentially gives Rådet an option to sell MoDo's Iggesund shares.

If exercised, MoDo would pay more than 406 million kronor for Rådet's holding in Iggesunds, bringing its total cost for gaining control of Holmens and Iggesunds to just over 1.8 billion kronor.

Analysts noted that the price for Holmens, 725 kronor, was at a considerable premium over the 485 kronor level at which the shares traded Friday in Stockholm. Trading was suspended Monday at the companies' request.

Analysts said that Rådet's agreement to sell its Holmens shares was an apparent abandonment of its earlier position that there would be no advantage in moving the three companies closer.

Igesunds's accumulation of its holdings in Holmens had been viewed as the start of a hostile takeover attempt and was criticized by Holmens's management.

One analyst said that the new group of three companies would have the financial strength to make the large investments in plant and equipment required to maintain profitability in the paper and pulp business.

In 1986, MoDo had pretax earnings of 343 million kronor on sales of 7.4 billion. Holmens and earnings of 371 million kronor on sales of 6.4 billion, while Iggesunds earned 232 million kronor on sales of 2.36 billion. For 1987, MoDo has forecast earnings at least at 1986 levels.



Sir Freddie Laker: "I carried 3.5 million people across the Atlantic."

Sir Freddie Remembers Skytrain

Wings Clipped, He Spends His Retirement Sailing

By Agis Salpukas
New York Times Service

NEW YORK — Last year, Sir Freddie Laker traveled to Ayers Rock, a remote spot in Australia's midlands that is considered the best location from which to view Halley's Comet. He had completed the 4,800-foot climb to the peak, he recalls, when a woman came up to him and said, "You're Freddie Laker."

"I was very impressed," he said. "Here I am in the middle of Australia on top of a bloody rock and someone recognizes me." Last month marked the 10th anniversary of the beginning of Laker Airways: On Sept. 26, 1977, the first Skytrain took off between London and New York, carrying passengers \$135 for one-way tickets.

Five years later, Laker Airways — which prompted drastic fare discounts at bigger airlines — was bankrupt. But Sir Freddie, as millions of travelers came to know him, is still remembered and recognized wherever he goes.

Now 65 years old, Sir Freddie — knighted in 1978 for his contribution to British commerce — lives in a beach-front villa in Freeport, the Bahamas, and considers himself retired.

But he still keeps a toe in the water: He serves on the Grand Bahamas Tourist Promotion Board and is involved in a package-tour business centered

around the Princess Hotels, Casino and Country Club in Freeport, a venture of Lomrho Ltd., a British conglomerate run by Roland W. (Tiny) Rowland.

Mr. Rowland, he says, is one of the few businessmen who stood by him during Laker's bankruptcy and the three-year lawsuit in which Laker's liquidators charged that some of the world's biggest airlines colluded to destroy Laker Airways. The suit was ultimately settled out of court.

At its peak, in 1980, the airline was carrying one of every five transatlantic passengers on its DC-10 planes. "I carried 3.5 million people across the Atlantic, a substantial number by any standard," Sir Freddie said in a telephone interview from Miami, where he and his wife were on a visit.

These days, Sir Freddie spends most of his time motoring on his 58-foot (17.7-meter) boat, taking pleasure trips in the Caribbean. He and his wife, whom he described as "a great sailor," make do without a crew, he says, performing all the navigating, cooking and cleaning on the boat.

His boat, "Jacqueline," is named after his wife, a 43-year-old English woman who worked as a flight attendant for Eastern Airlines when she first came to the United States more than 20 years ago. Sir Freddie met her on an Air Florida flight to London

See LAKER, Page 15

High Court Rules Some U.S. Banks Can Trade Stocks

The Associated Press
WASHINGTON — The U.S. Supreme Court cleared the way Monday for state-chartered banks that are not members of the Federal Reserve System to enter the business of trading stocks and bonds.

The court, without comment, left intact a ruling that the Federal Deposit Insurance Corp., or FDIC, did not violate a Depression-era law by permitting such banks to move into the securities business.

The U.S. Circuit Court of Appeals in Washington, in keeping

with a deregulatory trend that has wiped out barriers between the banking industry and other forms of commerce, ruled in April that the FDIC did not violate the Glass-Steagall Act of 1933. Congress passed that law in response to a wave of bank failures that many saw as the result of stock speculation by the banking industry.

The appeals court said that Congress "clearly intended" to allow the banks "to maintain subsidiary or affiliate relationships with securities firms."

The FDIC regulates about 9,000 state banks that are not members of the Federal Reserve System. It insures deposits, as well as Fed members and national banks that are under the jurisdiction of the comptroller of the currency.

The Federal Reserve Board has tried, in some cases, to stem the tide of deregulation. But the Supreme Court ruled last year, for example, that the Fed lacks the power to limit the growth of so-called non-bank banks, which gave businesses such as brokerage firms, department stores and conglomerates free rein to establish banking facilities.

In January, the Supreme Court ruled that national banks could set up discount securities brokerage outlets wherever they wanted.

In April, the court refused to block the interstate spread of non-bank banks in a case that allowed U.S. Trust Corp. of New York to bank bank in Florida. Nonbank banks are limited service banks that offer either checking accounts or commercial loans but not both, as do full-service banks.

In the case acted on Monday, the Investment Company Institute, representing mutual fund operators, and the Securities Industry Association had appealed the appeals court ruling on the ground that it had wiped out an interpretation of banking law that had stood for more than 50 years.

The Reagan administration, supporting the appeals court ruling, said it is not always unsafe for banks to be in the stocks-and-bonds business.

Thrift Agency Proposes Rules

WASHINGTON — The U.S. Federal Home Loan Bank issued Monday proposed rules that would enable it to set a minimum capital standard for federally insured savings and loans.

The proposals did not state a specific capital level, but the bank's board, in an accompanying statement, said that it "continues to believe that it is imperative that all insured institutions achieve a minimum 6 percent capital level as quickly as feasible."

The bank set a 30-day deadline for public comment on the proposals and scheduled public hearings Nov. 3-4 at its headquarters in Washington.

Can the Fed Penetrate Economy's Interest-Rate Insulation?

By Robert A. Bennett
New York Times Service

NEW YORK — With interest rates creeping steadily higher, some economists are beginning to worry that the United States will be plunged into a recession next year.

But most are being more cautious than usual in their predictions, because the economic landscape has changed dramatically since the last time the Federal Reserve tried to control an inflationary economy by tightening money and letting interest rates climb.

That was in the early 1980s, when short-term rates spiked above 20 percent and plunged the economy into the deepest recession since the Great Depression of the 1930s.

Those rates were the direct result of the Fed's decision exactly eight years ago — on Oct. 6, 1979 — to deregulate interest rates, letting them rise and fall in relation to supply and demand for credit. Instead of trying to govern the economy by controlling interest rates themselves, the Fed began to target the rate of growth of the money supply, allowing rates to go where they might.

That change revolutionized the U.S. financial system and forced lenders and borrowers

to try to protect themselves against the risks of wildly fluctuating interest rates. In the former regulated world, where the government sometimes set priorities regarding who should get credit, the fear was that no credit might be available at any price. The danger now is that interest rates can swing radically.

The result has been a flood of new financial instruments intended to protect lenders or borrowers against sharp changes in rates. These range from consumer-oriented adjustable rate mortgages to such exotic business-oriented techniques as interest rate swaps.

Widespread use of such untested measures makes it difficult to judge how the economy would be affected by any particular level of interest rates because it is unclear to what extent these mechanisms might insulate business and individuals from the effects of a tighter Fed policy.

"It's harder to sort out how it all works," said Edward J. Fryd, vice president and assistant director of research at the Federal Reserve Bank of New York.

Those who are more optimistic about the new environment believe a surge in interest rates will not be required because the slowly

rising rates will moderate inflationary pressures gradually and eliminate the need for a so-called hard landing or recession. They cite the proliferation of adjustable-rate loans, which increase the costs to borrowers, as interest rates rise, thereby reducing the amount of money they can spend on other things.

But others, including David Levine, chief economist for Sanford C. Bernstein & Co., the New York-based securities firm, fear that the overriding impact of the new defensive techniques will be to blunt the effectiveness of rising rates. What has happened in the housing industry is perhaps the best example, they say. Before interest rate deregulation, it was always hit hard by even slight increases in interest rates.

That was because the Federal Reserve had put caps on the interest rate that savings institutions could pay for deposits — and savings institutions were the main providers of mortgage money.

When market rates rose above the government set cap, savers moved large amounts of money out of the savings banks and into Treasury bills and other high yielding invest-

ments. Money for housing dried up and the construction industry collapsed. Demand for a wide array of goods was reduced and the result often was a recession — and a reduction in inflation.

As the cornerstone of financial deregulation in the early 1980s, however, the caps were removed, allowing the savings and loans to compete fully for funds. But the high rates traumatized the savings units. Hundreds went bankrupt.

Since then the savings and loans have been encouraging borrowers to accept adjustable instead of fixed-rate mortgages, shifting much of the rate risk to the borrower.

Many home buyers are willing to assume the risk of higher interest rates. That makes it extremely difficult to predict how any particular level of rates would affect home buying.

On the business side, there is similar uncertainty. Most business borrowing is done on a floating-rate basis, and it might be expected that rising short-term rates would increase business financing costs, forcing a reduction in their other spending. But over the last two years or so many See RATES, Page 17

Currency Rates

Table with columns for Currency, Par \$, and various exchange rates for major currencies like Euro, Yen, etc.

Table with columns for Currency, Par \$, and various exchange rates for other currencies like Australian, Swiss, etc.

Table with columns for Currency, Par \$, and various exchange rates for forward rates.

Interest Rates

Table with columns for Eurocurrency Deposits, Rate, and various interest rates for different terms.

Table with columns for Key Money Rates, Rate, and various interest rates for money market instruments.

Asian Dollar Deposits

Table with columns for Rate, and various interest rates for Asian dollar deposits.

U.S. Money Market Funds

Table with columns for Rate, and various interest rates for U.S. money market funds.

Gold

Table with columns for Rate, and various gold prices for different locations and terms.

U.S. Automakers' Sales Fell 33.7% In Month and 8.9% in Model Year

DETROIT — The major U.S. automakers reported Monday a 33.7 percent drop in new car sales for September, marking an end to the 1987 model year, in which they sold 8.9 percent fewer cars than in 1986.

The seven companies, General Motors Corp., Ford Motor Co., Chrysler Corp., Honda Motor Corp., Volkswagen of America, Nissan Motor Manufacturing U.S.A. and Toyota Motor Sales U.S.A., reported combined sales of 613,208 cars in the United States during the latest month, or 24,528 cars a day.

This compares with 924,919 units, or 36,997 cars a day, sold in the year-ago month when Toyota was not producing cars in the United States.

There were 25 selling days in both months. Domestic truck sales for the month totaled 303,202 units among the four producing automakers, down 25.8 percent from a year earlier.

The annual sales rate for the car industry during the period was 7.7 million cars, compared with the unusually strong 11.5 million autos

last year, when the top automakers were offering broad buyer incentives of most car lines. However, automakers had also been offering lucrative rebates and cut-rate finance programs during the latest month, and there were reports Monday that the industry giant, GM, will continue promotions on some Pontiac and Oldsmobile lines into the new model year, which began Oct. 1.

For the 1987 model year, domestic car sales totaled 7.24 million units, down from the 8.06 million units sold during the 1986 model year.

Sales so far this calendar year are just over 5.5 million cars, down from the almost 6.39 million units sold a year earlier.

For the month, GM's sales fell 40.8 percent on a daily-rate basis, which compares how many cars were sold per day. Ford posted a 17.5 percent decline. Chrysler, which acquired American Motors Corp. earlier this year, reported a 47.7 percent decrease in sales from the combined total a year ago.

Among the smaller companies, sales of Honda's U.S.-built models rose 0.9 percent, while Volkswagen's domestic-made models

Advertisement for Audemars Piguet watches, featuring the text 'ONE OF THE GREATEST DESIGNS OF THE 20TH CENTURY' and an image of a watch.

Advertisement for ALG air service, featuring the text 'More business leaders fly ALG than any other custom air service in Europe.'

Advertisement for Argentine Republic External U.S. Bonds and Bonos Nominativos, featuring the text 'THE WESTON GROUP'.

Handwritten text at the bottom of the page: 1350, 1000







**BUSINESS ROUNDUP**

**Midi Plans to Buy Big French Broker**

By Jacques Neher  
Special to the Herald Tribune

PARIS — Compagnie du Midi, an insurance and financial services group, said Monday that it plans to buy France's biggest stockbroker, Meeschaert Rousselet & Compagnie, as soon as a new law allows such acquisitions.

The proposed price was not disclosed, but Bernard Pagezy, chairman of Midi, said it would involve transfer of Midi stock as well as cash. One report, however, estimated the price at more than 500 million francs (about \$81.5 million).

Separately Monday, another major Paris broker, François-Dufour, Kervern & Compagnie, said it is in talks with several potential acquirers, including Cerus SA, the French financial holding company controlled by the Italian industrialist Carlo de Benedetti.

The moves follow several similar announcements over the past few months that anticipate legislation before the end of the year that will break the monopoly held by 45 stockbrokers over trading on the Paris Bourse.

The proposed law would permit banks and other institutions to buy progressively into the capital of the brokers, and take majority control by 1990. Up until now, a 180-year-old law has prevented outsiders from owning shares in the brokers.

The draft legislation, which has been dubbed "Big Bang à la française," will also permit outside institutions, including foreign brokers, to apply for entry onto the trading floor.

Mr. Pagezy said in a published interview Monday that the acquisition of Meeschaert Rousselet supports his objective of "making Midi into one of the great European financial groups."

He said Midi's first efforts will be focused on bolstering the broker in Paris, but that operations could ultimately be expanded to London and New York.

Midi is involved in a bidding war with Brierley Investments Ltd. of New Zealand for a British life insurance company, Equity & Law PLC. The latest bid, by Brierley on Sept. 29, values Equity & Law at about \$457 million.

Meeschaert Rousselet, which employs 230 people, mostly services French and foreign institutional clients. It reported net earnings in 1986 of 50 million francs on revenue of 287 million.

Midi said it would acquire Meeschaert Rousselet over the next three years, or sooner if the new law permits. The draft legislation would allow outsiders to acquire 30 percent of a broker's stock as of Jan. 1, 1988, 49 percent on Jan. 1, 1989, and 100 percent on Jan. 1, 1990.

Mohmed Soyah, an analyst with a Paris broker, Jean-Pierre Pinaton, said that with Midi's backing, Meeschaert Rousselet "will get a much larger part of the market, and that will reduce the revenues of the other brokers."

Meanwhile, François-Dufour, Kervern, a broker that employs 150 persons, said it was in talks with Cerus as well as other groups, but that the Cerus negotiations were further advanced.

Cerus, which also owns the French auto parts manufacturer Valéo SA, declined comment.

Over the past three months, four other Paris brokers have announced plans to link up with other institutions, once the new law is enacted.

The ventures will bring together Banque Nationale de Paris and Bouzet; Société Générale and Delahaye-Ripault; and Crédit National and Dupont-Denat.

In addition, a London-based broker, James Capel & Co., will join forces with Dufour, Koller, Lacarrière.

**Calor Rejects Takeover Bid**

By Jacques Neher  
Special to the Herald Tribune

LONDON — Calor Group PLC, the oil and gas distribution and exploration company, rejected on Monday a takeover offer from Burmah Oil PLC and SHV Holdings NV that valued the company at more than \$800 million (\$1.3 billion).

The board of Calor does not believe the proposed terms of Burmah and SHV reflect the current position and prospects of Calor and will not recommend them to shareholders, it said in a statement.

The bid was at 575 pence a share. Calor shares fell sharply on the London Stock Exchange to close at 537 pence apiece, from Monday's opening price of 575 pence and Friday's close of 575.

Burmah shares closed 7 pence lower at 585.

The 575 pence offer was for half that amount in cash and half in stock, although an alternative offer for the entire amount in cash was to be made later.

The offer was conditional on its being accepted by holders of 50 percent of Calor stock outstanding. Burmah already holds a 2.4 percent stake in Calor, while SHV has a holding of 29.9 percent.

Burmah and SHV said the bid was final and would not be increased. They said the Calor board had been asked to recommend the offer by Wednesday, at which time it would be withdrawn if not accepted.

Burmah is a publicly traded British company, while SHV of the Netherlands, also an energy company, is privately held.

Calor groups the British interests of the former Imperial Continental Gas group, which was broken up in April when its Contibel division was sold to two Belgian companies.

Calor shares closed 7 pence lower at 585.

The 575 pence offer was for half that amount in cash and half in stock, although an alternative offer for the entire amount in cash was to be made later.

The offer was conditional on its being accepted by holders of 50 percent of Calor stock outstanding. Burmah already holds a 2.4 percent stake in Calor, while SHV has a holding of 29.9 percent.

Burmah and SHV said the bid was final and would not be increased. They said the Calor board had been asked to recommend the offer by Wednesday, at which time it would be withdrawn if not accepted.

Burmah is a publicly traded British company, while SHV of the Netherlands, also an energy company, is privately held.

Calor groups the British interests of the former Imperial Continental Gas group, which was broken up in April when its Contibel division was sold to two Belgian companies.

Calor shares closed 7 pence lower at 585.

The 575 pence offer was for half that amount in cash and half in stock, although an alternative offer for the entire amount in cash was to be made later.

The offer was conditional on its being accepted by holders of 50 percent of Calor stock outstanding. Burmah already holds a 2.4 percent stake in Calor, while SHV has a holding of 29.9 percent.

Burmah and SHV said the bid was final and would not be increased. They said the Calor board had been asked to recommend the offer by Wednesday, at which time it would be withdrawn if not accepted.

Burmah is a publicly traded British company, while SHV of the Netherlands, also an energy company, is privately held.

Calor groups the British interests of the former Imperial Continental Gas group, which was broken up in April when its Contibel division was sold to two Belgian companies.

Calor shares closed 7 pence lower at 585.

The 575 pence offer was for half that amount in cash and half in stock, although an alternative offer for the entire amount in cash was to be made later.

The offer was conditional on its being accepted by holders of 50 percent of Calor stock outstanding. Burmah already holds a 2.4 percent stake in Calor, while SHV has a holding of 29.9 percent.

Burmah and SHV said the bid was final and would not be increased. They said the Calor board had been asked to recommend the offer by Wednesday, at which time it would be withdrawn if not accepted.

Burmah is a publicly traded British company, while SHV of the Netherlands, also an energy company, is privately held.

Calor groups the British interests of the former Imperial Continental Gas group, which was broken up in April when its Contibel division was sold to two Belgian companies.

Calor shares closed 7 pence lower at 585.

The 575 pence offer was for half that amount in cash and half in stock, although an alternative offer for the entire amount in cash was to be made later.

**Australian Airlines Will Buy Boeings Before Airbus 320s**

Reuters

SYDNEY — Australian Airlines said Monday that it had deferred an order for nine Airbus A320 jets, due for delivery between April 1989 and June 1990, and would buy four Boeing 737-300s instead.

The chairman, Neil Smith, said the government-owned airline would now take delivery of the aircraft from Airbus Industrie, the European consortium, in the 1990s.

He said the delay was unrelated to the suitability of the A320. The airline, he said, acted out of "concern at the impact on its resources of introducing a completely new type of aircraft at a time when significant change is likely to occur in Australian domestic aviation."

The government's two-airline agreement, restricting main route domestic flights to privately owned Ansett Airlines and Australian Airlines, is expected to be terminated in 1990. The Labor government has also raised the possibility of privatizing Australian Airlines.

James Strong, general manager of Australian Airlines, said the carrier would buy the four 737s from Boeing Co. in 1988-89. And, he said, the airline would bring a fourth A300 leased to Air Niugini, the Papua New Guinea national carrier, back to its operating fleet.

The fleet currently comprises three Airbus A300s, 12 Boeing 737-300s, 10 Boeing 727-200s and five McDonnell Douglas Corp. DC9s.

Smart ladders, senior vice president of Airbus Industrie, minimized the deferral, noting that Airbus had firm orders for 287 A320s.

"Airbus Industrie expects that the previous Australian Airlines delivery positions in 1989-90 will be quickly taken up by other customers," he added.

**Managers Agree to Buy MFI From ASDA for £505 Million**

Reuters

LONDON — ASDA-MFI Group PLC said Monday that it would sell its MFI furniture retailing unit to senior management for £505 million (\$820 million).

The new company is to acquire a 25 percent equity stake in Hygena Ltd., MFI's furniture supplier, for £52 million.

The new company formed by senior members of the ASDA management is led by Derek Hunt, who built up the MFI business before it merged with the ASDA supermarket chain two years ago.

ASDA's program of disposing of noncore operations has now realized £600 million.

The proceeds of the sales of MFI and two other units will be used to finance ASDA's £1 billion investment plan, which envisions the opening of 34 new superstores.

ASDA shares opened at 204 pence on the London Stock Exchange, down from Friday's 207 pence close, but recovered later to

close at 208 on a volume of 16.2 million shares.

ASDA's group managing director, John Hardman, said the buyout was "a further stage in our stated objective of concentrating all of our resources on the fast-expanding superstore business."

In July, ASDA said it planned to sell MFI, the dairy division of Associated Fresh Foods Ltd., and Allied Carpet Stores Ltd.

It made the Associated Foods sale the following month for £80 million. ASDA said negotiations for the sale of Allied were at an advanced stage.

The board of the new company that will own MFI said it would seek a listing on the stock exchange within three years.

The MFI sale would have entitled ASDA to receive £470 million in cash and the repayment of a £35 million intercompany loan.

ASDA has chosen to receive shares representing 25 percent of the new MFI/Hygena group instead of £52 million of the cash consideration.

How the extremely rich invest to stay that way.  
(Details in this paper soon)  
**GRINDLAYS CAPEL-CURE**  
A member of the ANZ Group

**FOREIGN & COLONIAL RESERVE ASSET FUND**  
PRICES AT 29.9.87

A: U.S. DOLLAR "CASH"	\$10.31
B: MULTICURRENCY "CASH"	\$14.11
C: DOLLAR BONDS	\$12.40
D: MULTICURRENCY BONDS	\$15.92
E: STERLING BONDS	\$11.69
F: DEUTSCHMARK BONDS	DM10.11
G: YEN BONDS	¥EN10.00
H: S&P BONDS	£CU10.30
I: STERLING EQUITY	£13.59
M: U.S. EQUITIES	\$15.09
N: JAPANESE EQUITIES	¥EN12.00
O: GLOBAL EQUITIES	\$13.23
X: STERLING "CASH"	£10.45
Z: GOLD	\$17.24

FOR OTHER F & C FUNDS, SEE INTERNATIONAL FUNDS LIST

**Argonaut Group to Be Sold for \$620 Million**

The Associated Press

NEW YORK — Argonaut Group Inc., a Los Angeles-based insurance holding company, will be bought by the investment firm Gibbons, Green, van Amerongen in a leveraged buyout valued at about \$620 million, the companies said Monday.

The offer came several weeks after negotiations failed on a proposed \$52-a-share merger of Argonaut with a Bermuda-based insurance company, Clarendon Group Ltd.

Gibbons Green agreed to pay \$45 in cash and a share of publicly traded preferred stock in the new corporation, expected to be valued at about \$8, for each of Argonaut's 11.7 million common shares outstanding.

Argonaut shares rose 75 cents to \$48.25 in early national over-the-counter trading on Monday.

Argonaut, which was spun off last year by Telebyte Inc., a Los Angeles-based manufacturing and insurance company, is involved in casualty and property insurance.

In the first half of 1987, Argonaut had a profit of \$41.3 million. D.W. Schrempf, Argonaut's president, said the company would operate independently. Its management will remain in place and will be offered the chance to take part in the buyout.

Gibbons, Green is a specialist in leveraged buyouts, in which a company is acquired mostly with borrowed funds that are repaid with proceeds from the sale of the company's assets or with its cash flow.

Argonaut shares rose 75 cents to \$48.25 in early national over-the-counter trading on Monday.

Argonaut, which was spun off last year by Telebyte Inc., a Los Angeles-based manufacturing and insurance company, is involved in casualty and property insurance.

In the first half of 1987, Argonaut had a profit of \$41.3 million. D.W. Schrempf, Argonaut's president, said the company would operate independently. Its management will remain in place and will be offered the chance to take part in the buyout.

Gibbons, Green is a specialist in leveraged buyouts, in which a company is acquired mostly with borrowed funds that are repaid with proceeds from the sale of the company's assets or with its cash flow.

Argonaut shares rose 75 cents to \$48.25 in early national over-the-counter trading on Monday.

Argonaut, which was spun off last year by Telebyte Inc., a Los Angeles-based manufacturing and insurance company, is involved in casualty and property insurance.

In the first half of 1987, Argonaut had a profit of \$41.3 million. D.W. Schrempf, Argonaut's president, said the company would operate independently. Its management will remain in place and will be offered the chance to take part in the buyout.

Gibbons, Green is a specialist in leveraged buyouts, in which a company is acquired mostly with borrowed funds that are repaid with proceeds from the sale of the company's assets or with its cash flow.

Argonaut shares rose 75 cents to \$48.25 in early national over-the-counter trading on Monday.

Argonaut, which was spun off last year by Telebyte Inc., a Los Angeles-based manufacturing and insurance company, is involved in casualty and property insurance.

In the first half of 1987, Argonaut had a profit of \$41.3 million. D.W. Schrempf, Argonaut's president, said the company would operate independently. Its management will remain in place and will be offered the chance to take part in the buyout.

Gibbons, Green is a specialist in leveraged buyouts, in which a company is acquired mostly with borrowed funds that are repaid with proceeds from the sale of the company's assets or with its cash flow.

Argonaut shares rose 75 cents to \$48.25 in early national over-the-counter trading on Monday.

Argonaut, which was spun off last year by Telebyte Inc., a Los Angeles-based manufacturing and insurance company, is involved in casualty and property insurance.

In the first half of 1987, Argonaut had a profit of \$41.3 million. D.W. Schrempf, Argonaut's president, said the company would operate independently. Its management will remain in place and will be offered the chance to take part in the buyout.

Gibbons, Green is a specialist in leveraged buyouts, in which a company is acquired mostly with borrowed funds that are repaid with proceeds from the sale of the company's assets or with its cash flow.

**Philips Plans to Float 20% of Shares In Polygram, Its Record-Making Unit**

Reuters

AMSTERDAM — Philips NV said Monday that in November it plans to float 15 million shares, or 20 percent, of its record-making subsidiary, Polygram NV.

A spokesman for the electronics group said 10.5 million shares would be issued in the United States and 4.5 million elsewhere. This would represent 20 percent of the enlarged share capital.

The spokesman, Ben Geerts, added that Philips wants to retain a controlling interest in Polygram, but that the parent company believes a more independent Polygram would have better growth prospects.

Polygram posted a net profit of 170 million guilders (\$82 million) in 1986 on sales of about 2.9 billion guilders.

Share analysts said the issue was expected to be priced at around \$16 per share. At that price, Philips would retain about 500 million guilders from the sale.

Polygram was set up in 1962 as a joint venture by Philips and Siemens AG of West Germany. Philips expanded its stake to 90 percent in 1985 and became sole owner earlier this year.

Mr. Geerts said Philips never wanted to become sole owner of Polygram, but that Siemens had wanted to sell its stake.

**Guinness Says Riklis Will Sell Huge Stake**

Reuters

LONDON — Meshulam Riklis, head of the U.S. conglomerate Rapid American Corp., will sell his 30 million-share stake in Guinness PLC on the London market through institutions "friendly to Guinness," a spokesman for the beverage group said Monday.

The shares, which have a market value of about £112.5 million (\$182 million), were acquired last year during Guinness's takeover of the whiskey producer Distillers Co.

**Chemical Bank Home Loans**  
The Best UK Mortgages for Expatriates  
\* interest only \* no capital repayment  
\* immediate funds available  
Phone our mortgage consultants on 01-340 3011/ 5214

**TENDER NOTICE**  
THE "SOCIETE BURKINABE DES FIBRES TEXTILES" (SOFTTEX) - B.P. 147 - BOBO DIULASSO (BURKINA FASO) hereby gives notice of invitation to international tender for the supply of Ginning cotton equipments in four lots as follows:  
LOT 1 : seed cotton suction, moistening, cleaning and distribution;  
LOT 2 : seed cotton ginning with seed and trash evacuation system;  
LOT 3 : fiber cotton cleaning and manipulation;  
LOT 4 : fiber cotton pressing and bales bagging  
**TENDER NOTICE**  
May be obtained from:  
- SOFTTEX - B.P. 147 BOBO DIULASSO (BURKINA FASO)  
- SOFTTEX - B.P. 1650 OUAGADOUGOU (BURKINA FASO)  
- C.F.D.T. (DIE) - 13, rue de Monceau, 75008 PARIS (FRANCE)  
phone (1) 43.59.53.95 against payment of F. CFA 150,000 (SOFTTEX) or FF 3,000 (C.F.D.T.).  
**PLACE AND DATE OF DELIVERY**  
At BOBO DIULASSO (seven) 7 months after notification  
**BIDS**  
Bids must be sent to SOFTTEX or C.F.D.T. before OCTOBER 31st, 5 p.m.

**Performance for the first 6 months of 1987:**

Consolidated Figures for the first 6 months of	1987	1986	Change
Group external sales	DM 19.6 bn	DM 21.1 bn	- 7.4%
Group net income	DM 304 mn	DM 303 mn	+ 0.3%
Capital expenditure	DM 913 mn	DM 991 mn	- 7.9%
Employees	72,611	69,734	+ 4.1%

**VEBA: German Corporation with the Largest Shareholder Base**

The capital stock is owned by more than 600,000 shareholders including 90% private individuals and nearly 35,000 VEBA employees. In March of this year VEBA was fully privatized, thus initiating a new phase in the Company's development.

**Latest Figures Again Point to Favorable Results**

Although Group external sales declined to DM 19.6 billion, owing primarily to low oil prices, net income reached DM 304 million, matching the high level of the first half of 1986.

All of VEBA's divisions were profitable. The Electricity Division kept prices constant. PreussenElektra's deliveries were up 8.3%. HÜLS attained above-average results. Thermoplastics and organic chemicals performed well. VEBA OEL maintained its position. Refinery capacity utilization was again at 95%. The Trading and

Transportation Division showed satisfactory results.

**On the Threshold of a New Phase of Development**

Thanks to the Brokdorf power station, nuclear energy now accounts for 70% of PreussenElektra's total output. For unit 4 of the Heyden coal-fired power plant the process of going into operation continued. Approval was given for a new 520 MW hard coal facility. Braunschweigische Kohlenbergwerke AG is now almost wholly owned by VEBA.

DEMINEX shared in the success of the North Sea oil fields. RHENUS significantly reinforced its market position through the acquisition of Weichelt, the forwarding agents. VEBA acquired a 12.5% participation in HAPAG-LLOYD. RUHRGLAS was sold.

An agreement was signed calling for the acquisition of the chemical operations of DYNAMIT NOBEL - thus giving VEBA a

foothold in high-growth, future-oriented sectors. This acquisition has already been approved by the German Federal Cartel Office. Important steps have thus been taken to ensure realization of projected rates of growth.

**VEBA Shares Show Strength**

During the past two years, VEBA's stock has risen 100 points. The dividend yield was above average. Both trends attest to the sound quality of VEBA shares - a healthy mix of growth potential with security. Over the next five years, a total of DM 19 billion will be invested in expanding the Group.

**Confidence in the Future**

The strong cash flow is projected to improve still further. Corporate strategic plans are in the process of realization. Present developments point to overall results for 1987 matching the previous year's level and a dividend of at least the DM 10 per share that was paid in 1986.

**ELECTRICITY**  
**OIL**  
**CHEMICALS**  
**TRADING AND TRANSPORTATION**  
**VEBA**

To find out more about VEBA, please contact: VEBA AG, Karl-Arnold-Platz 3, D-4000 Düsseldorf 30, Federal Republic of Germany



Floating-Rate Notes

Table with columns: Issuer/Mat., Coupon Next Bid Asked, Dollars. Lists various floating rate notes from issuers like Citicorp, Citicredit, etc.

GREAT EQUALIZER

Two Indigo funds have had massive success in the last 12 months. The Indigo fund has been the high dollar fund...

Indigo is a licensed broker. Arda Palma de Mallorca 43, Torremolinos, Malaga, Spain. Telephone 34-32-38960 - Telex 78423.

U.S. Futures

Table with columns: Season High, Season Low, Open, High, Low, Close, Chg. Lists futures prices for various commodities.

Grains

Table with columns: Season High, Season Low, Open, High, Low, Close, Chg. Lists grain futures prices.

Deutsche Marks

Table with columns: Issuer/Mat., Coupon Next Bid Asked. Lists Deutsche Mark futures prices.

Japanese Yen

Table with columns: Issuer/Mat., Coupon Next Bid Asked. Lists Japanese Yen futures prices.

E.C.U.

Table with columns: Issuer/Mat., Coupon Next Bid Asked. Lists ECU futures prices.

Pounds Sterling

Table with columns: Issuer/Mat., Coupon Next Bid Asked. Lists Pounds Sterling futures prices.

WORLD MARKETS IN REVIEW. IN THE HOT EVERY MONDAY. A WEEKLY REVIEW OF WORLD STOCK MARKETS. ESSENTIAL READING FOR INVESTORS AND PROFESSIONALS - WORLDWIDE.

Season Season High Low Close Chg. Food

Table with columns: Season High, Season Low, Open, High, Low, Close, Chg. Lists food futures prices.

Metals

Table with columns: Season High, Season Low, Open, High, Low, Close, Chg. Lists metal futures prices.

Livestock

Table with columns: Season High, Season Low, Open, High, Low, Close, Chg. Lists livestock futures prices.

Currency Options

Table with columns: Philadelphia Exchange, Underlying Price, Strike, Call, Put, Last. Lists currency option prices.

Financial

Table with columns: US T-BILLS (100), US T-BILLS (500), US T-BILLS (1000). Lists financial instrument prices.

Commodity Indexes

Table with columns: Commodity, Close, Previous. Lists commodity index values.

Market Guide

Market Guide listing various market indices and their values.

SHERIDAN MORLEY

IN THE HOT EVERY WEDNESDAY WITH PERCEPTIVE CRITICISM OF THE LONDON THEATER

INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed) 5th October 1987

Large table listing international funds with columns: Fund Name, Net Asset Value, and other details.

Be sure that your fund is listed in this space daily. Telex: Matthew GREENE at 61395F for further information.

Grundig Denies Reports That It Will Offer Stock

FURTH West Germany - The managing board chairman of Grundig AG, the big electronics group, on Monday denied West German press reports that the company, which returned to profitability in the 1986-87...

London Metals

Table with columns: Metal, Close, Previous. Lists London metal prices.

S&P 100 Index Options

Table with columns: Strike, Call, Put, Last. Lists S&P 100 index option prices.

Paris Commodities

Table with columns: Commodity, High, Low, Close, Chg. Lists Paris commodity prices.

DM Futures Options

Table with columns: Strike, Call, Put, Last. Lists DM futures option prices.

Dividends

Table with columns: Company, Dividend, Yield. Lists dividend information.

U.S. Treasuries

Table with columns: Maturity, Bid, Offer, Yield. Lists U.S. Treasury bond prices.



## COURSE: Prices Rise Worldwide

(Continued from first finance page)  
 One major impediment to the establishment of a true world market is the settlement problem. If anything, the settlement problem has gotten worse. The explosion in transactions on foreign exchanges has led to frustrating difficulties in the clearance of securities transactions.  
 A single world clearing system, based on uniform settlement times, such as the five-business-day norm in the United States, is currently only a dream, though many countries are working on it.  
 But should such a system ever come a reality, the consequences of stock trading would presumably be immense. As it is, the world's banks and central banks' clearing operations handle an estimated \$1 trillion a day in currency

stabilizing," he said. "As long as it holds, the Japanese will continue to buy." Mr. Brand said that the Dow may reach "2,850 to 2,950, possibly even a little higher."  
 Many analysts expect blue chips such as IBM, General Electric, and Merck, to lead the stock market once again, although secondary issues have been showing some life recently.

### Japan

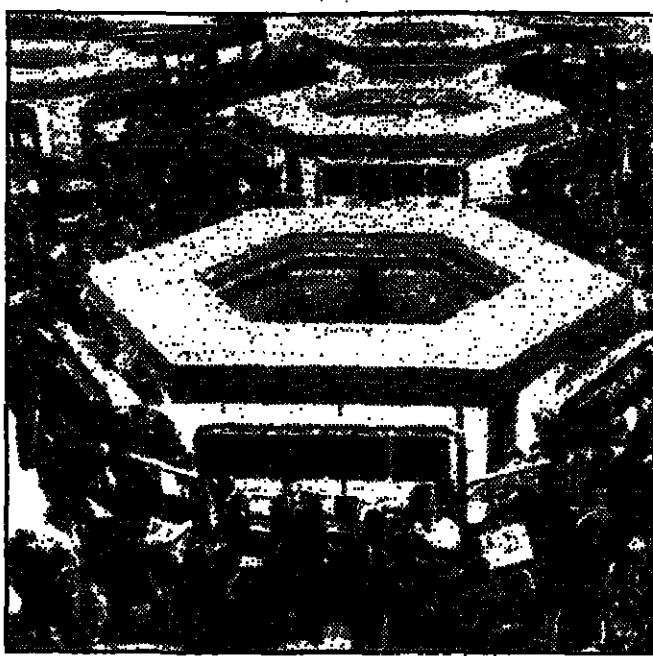
In the third quarter, stocks traded on the Tokyo stock exchange gained 4.6 percent in dollar terms and 4.2 percent when pegged against the yen. In July, the Nikkei index pulled back to the 23,500 level, but recently, at 26,000 or so, it has been near its historic highs.  
 The lofty price-earnings ratio in Japan, which averages 70, discourages many foreign investors, but that has not hurt the market. "People are still nervous abroad," Mr. Brand noted, "but the Japanese are accustomed to it."

Orest Pokladok, an analyst at Carl Marks & Co., a U.S. broker that executes trades abroad, said he is "still sort of wary of Japan because of the high P/E's, although there is evidence that business is picking up," especially in the domestic sector.  
 However, the jury is still out on whether the Japanese consumer "can be convinced to save less and spend more." He said that many exporters have been forced to "cut down to the bone, to streamline; I'd begin to take a look at some of the big exporters again."

It is fairly easy for American investors to buy Japanese equities. There are mutual funds that specialize in Japanese stocks, and many of those stocks, such as Mitsubishi, Hitachi and Sony, also trade on American exchanges as American Depositary Receipts, which represent a security issued in a foreign country.

**Britain**  
 The London Stock Exchange rose 4.5 percent in dollar terms in the third quarter. When figured in pounds, the market gained 3.8 percent.  
 "The third quarter was probably a disappointment to the local British brokers," said Carl Marks, a U.S. analyst. "But to foreign investors it was definitely positive."  
 Mr. Adams said he did not expect a spectacular runup in British equities like the one in August that pushed the Financial Times-Stock Exchange index to a record 2,443.4, "but it will be higher than where it is now."  
 He is recommending stocks in "service and selected industrial groups." His stock choices for the next quarter include Metal Box, a packaging company; Next, a consumer retailer; Hawley, cleaning, security and food services; and Pol-

Peck, a transportation and shipping concern.  
 Price-earnings ratios in Britain are around 16, historically high by British standards.  
 Many British stocks trade as ADRs in the United States, and the British Fund enables American residents to buy shares in a closed-end investment company that invests primarily in British stocks. U.S. brokerage firms are also represented in London, and Americans can buy stocks directly.  
 Mr. Brand of Merrill Lynch said London "is a bottoming market, just like ours; it could go back to the highs."  
**West Germany**  
 Frankfurt's stock exchange gained 3.3 percent in dollar terms during the second quarter, or 4.3 percent in Deutsche marks.  
 Still, Mr. Brand likes the West German stock market. "The underlying stock market is doing quite well," he said. "The chemicals are doing extremely well."  
 Mr. Pokladok of Carl Marks said: "Conditions are developing which might strengthen the market. There is a better tone of business activity. Inflation is under control. I could see the market rising 20 or 25 percent by the end of the year."  
 He is recommending detergent company Henkel, Nixdorf in computers, Siemens (electronics), Continental (tires and rubber) and Deutsche Bank.  
 Mr. Pokladok said the average price-earnings ratio of West German stocks is only about 12. And, he argued, the ratios of the stocks of German companies "are probably much lower" than that. "The figures that they show to investors are the same as they show to the tax people," he said "so they have an incentive to understate their earnings."



The trading floor of the London Stock Exchange as it entered the age of computer trading in October last year.

**Canada**  
 In U.S. dollar terms, the Canadian stock market rose 6.4 percent; in Canadian dollar terms the gain was 4.6 percent.  
 Joseph DeSantis, a Carl Marks analyst, said that the Canadian stock market, like much else in Canada, is often held hostage to what goes on in its colossal southern neighbor. Movements in U.S. interest rates, especially, are mimicked in Canada.  
 But Canada offers foreign investors a great resource play, Mr. DeSantis noted. "The stability of prices in metals, combined with corporate slimming down, could lead to higher profits," he said.

**Hong Kong**  
 The Hong Kong stock market has been surging. In the past three months, equities have jumped 23.1 percent. The Hang Seng index is trading at record highs, near the 4,000 level.  
 Robert J. Pelosky Jr. at Carl Marks said he expected "more of the same" in the fourth quarter, thanks to a continuing influx of foreign money. Much of the money is coming from Taiwan, he said.  
 Noting that the typical Hong Kong stock carries a price-earnings ratio of 18, "which in that part of the world is pretty cheap," Mr. Pelosky said he is concerned that stock prices are being hyped somewhat by Hong Kong companies plowing their profits into the market.  
 Robert Li, 58, the exchange's ebullient chairman, said that 272 securities are now traded, and the exchange "is applying to the government of Hong Kong to establish a second tier of the market, which would be the equivalent of the over-the-counter market."

## BUSINESS PEOPLE

### Heine Quits Troubled Finley, Kumble

By Arthur Higbee  
*International Herald Tribune*  
 Andrew N. Heine, a name partner in the huge law firm of Finley, Kumble, Wagner, Heine, Underberg, Manley, Myerson & Casey, is joining another New York law firm, Curtis Mallet-Prevost, Colt & Mosie.  
 Mr. Heine's former firm, one of the largest in the United States with about 700 lawyers, has faced turmoil and financial strains this year, with infighting among some of its partners, including Mr. Heine. In June, the firm announced that Mr. Heine had resigned as chairman of the management committee and chairman of the corporate law department.

Mr. Heine, 58, told The New York Times that he left because he felt more comfortable elsewhere after the disputes with his partners. Others at the firm maintained that he was ousted.  
 At least one of the differences was over what Mr. Heine viewed as

overly generous salaries, including those of \$800,000 being paid this year to two former U.S. senators, Paul Laxalt and Russell B. Long.  
 Mr. Heine will be counsel to the Curtis firm, working with the corporate department and continuing to concentrate on mergers and acquisitions. In a statement, he said he chose the 120-lawyer Curtis firm because he liked its "reputation for quality in such areas as international corporate transactions and business litigation." He will begin there next Monday.  
 The U.S. Federal Reserve Board has created a new Division of Monetary Affairs and appointed Donald L. Kohn to run it. The unit will analyze monetary policy issues and serve as a liaison between the board and the Open Market Desk of the Federal Reserve Bank of New York, which carries out policies to control the growth of the U.S. money supply. Mr. Kohn, a long-time Fed staffer, will have duties similar to those of Stephen Axilrod, former director for administration at the Fed staff director for monetary and

financial policy, who resigned last year.  
 Samuel Montagu Inc., New York bonds branch of Midland Montagu of London, has recruited Robert M. Kowit as managing director for international bond sales. Mr. Kowit, 42, previously was with Kidder, Peabody. Midland Montagu is the investment banking arm of London's Midland Bank.  
 Panhandle Eastern Corp., the Houston-based pipeline company, has named Robert D. Hunsucker, president and chief executive, to the additional post of chairman. Mr. Hunsucker, 62, will replace Richard L. O'Shields, 61, who is retiring.  
 Air Canada has appointed Bernard Desantis, 51, as general manager for France and Western Europe with headquarters in Paris. He succeeds Pierre W. Paquin, who has been transferred to Ottawa as general manager. Mr. Desantis previously was the airline's international director for administration at the Montreal headquarters.

### New TSB Unit In Luxembourg

*International Herald Tribune*  
 TSB Private Bank International, opening in Luxembourg in January, has recruited B.J. Larsen as managing director and Robert N. Bee as head of the London representative office.  
 A spokesman called it the first major British banking venture in Luxembourg. It will offer financial services to individuals with a net worth of \$300,000 to \$5 million. It is being set up by two units of TSB Group PLC of London, TSB Channel Islands and TSB England & Wales. Two European banks, as yet unannounced, are expected to come in as partners.  
 Mr. Larsen, 53, previously ran Maryland Bank International in Luxembourg. Mr. Bee, 62, had headed London Interstate Bank.

U.S. securities underwritings rose 20 percent to \$70.16 billion in the quarter. Page 17.

id bond trading and to pay for sports and exports.

### United States

While overtaken in total market capitalization by the high-flying Japanese stock market, the American stock market still sets the world's standards. The United States is a bastion of political and economic stability, and the quality of its stocks, trading and executives tends to attract international investors, especially in times of crisis. Even in calmer times, a relatively low price-earnings ratio of the average American stock, at about 20, is a strong lure.  
 According to Morgan Stanley, U.S. stock prices rose 5.8 percent in the third quarter, the 10th-best performance among the world's stock markets. That compares with a 6.9 percent rise in the second quarter, the first quarter of the year. U.S. stock prices rocketed ahead by 23 percent.

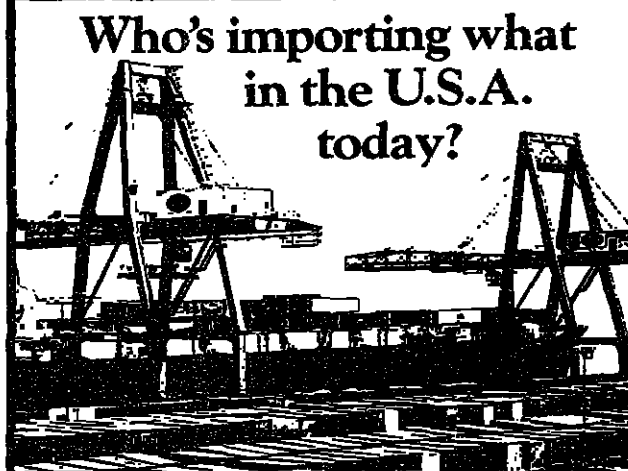
The key Dow Jones industrial average closed Friday at 2,640.99, a record 75.23 points. Wide swings in the Dow have become commonplace; it often jumps or plunges 30, 40 or even 50 points a day. There are several reasons for these shifts. The Dow is made up of a big capitalization blue chips favored by institutional investors, including Japanese players who can throw billions into the market — just as quickly pull billions out. And there is programmed trading.

Leon C. Brand, an international analyst at Merrill Lynch Economics, believes the American market is the place to go. "The dollar is

### LAKER: He Reflects on Skytrain

(Continued from first finance page)  
 Nor is he deprived of money, thanks, in large part, to the out-of-court settlement of his antitrust suit against British Airways and nine other carriers. The suit claimed that these airlines pressured McDonnell Douglas Corp. — which made the DC-10s used by Laker — not to help the airline refinance its debt when it began having financial problems in 1981.  
 Under the 1985 settlement, the defendants agreed to pay Sir Freddie \$8 million for his shares in Laker Airways, thus freeing him of any further liability and providing him with a sizable nest egg.  
 In the years between bankruptcy and the settlement, Sir Freddie recalls, life was a bit tougher.  
 From 1982 to 1985, he was spending most of his time on his legal battle, he says. He was also running a package-tour business out of New York. During this period, he lost many of his assets to creditors.  
 The company yacht was sold; so was Sir Freddie's 75-acre (30-hectare) stud farm and his 1,000-acre farm in Surrey, where he raised cattle and sheep. Sir Freddie went from being driven around in a Rolls-Royce to getting behind the wheel of a Volkswagen.  
 Sir Freddie has, he says, given up any dreams of building a major carrier. "On the other hand," he added, "I look around; if there is a little airline for a realistic price..."

What would he have done differently?  
 He would have filed an antitrust suit against the big Atlantic carriers right away, he says, instead of waiting until he was forced to file for bankruptcy in 1982. It would have been better to act in 1981, he explained, when British Airways began putting in the deep discounts designed, he believed, to put his Skytrain out of business.  
 "I should have stopped them in their tracks," he said. "I should have gone for their throats, as they went for mine."  
 Sir Freddie also concedes that he made the mistake of becoming too big too fast. Today, he says, he cautions Richard Branson, the British entrepreneur who owns Virgin Atlantic Airways, against such quick expansion.  
 Laker Airways' liquidation, however, does not seem to have deprived Sir Freddie of popularity or prestige. When he speaks to groups of travel agents as part of his consultant's job, he packs the house, he says, usually drawing from 400 to 500 agents. "I always get a standing ovation," he added.



Who's importing what in the U.S.A. today?  
 You don't have to guess anymore. PERS can supply you with the facts rapidly and accurately. The Journal of Commerce (New York) stations 150 reporters in 52 ports coast to coast who transcribe the details of every individual shipment entering or leaving the country. They include the identities of shippers and consignees, commodity descriptions and other information.  
 Our London office can supply you with instant printouts — or you can log on directly. In minutes our PERS system can show you every import of benzyl alcohol, for instance, including its importer and the shipper who exported it.  
 For information or free sample printouts, contact Simon Wood, The Journal of Commerce, Bailey House, Old Seacoal Lane, London, EC-4M-7LR, England. Telephone 01-489-1935.

U.S. Exports, Too PERS can also tell you who is shipping goods from all U.S. seaports to any destination in the world.  
 The Journal of Commerce (New York)  
**PIERS**  
 PORT IMPORT EXPORT REPORTING SERVICE  
 A Knight-Ridder Business Information Service

## HILTON INTERNATIONAL VISTA INTERNATIONAL



### FOCUSING ON YOU

Listening to you. Learning from you. For 38 years you've helped us develop our philosophy: to keep your needs in focus.  
 The formula: By ensuring that the overall success of your stay results from all the little things done well.  
 You want a good night's sleep, of course. A report typed at the eleventh hour. The security of knowing that telex, translation and courier service are at your command.  
 You want a simple meal in your room after a long, hard day. And fine cuisine to entertain your clients when you choose. The ease of No Stop Check-Out™ when you're in a hurry to catch a flight.  
 You don't want to be victimized by high surcharges on currency exchange and long-distance telephone calls. We keep these in focus as well.  
 You sometimes want the club-like atmosphere of Executive Floors, where you can conduct your business dealings calmly and efficiently: 43 of our hotels answer this need.  
 Focusing on you. Hilton International and Vista International hotels.  
 For reservations at any of the hotels listed below, call your travel agent, any Hilton International hotel or Hilton Reservation Service in Copenhagen, Frankfurt, London, Madrid, Milan, Oslo, Paris, Stockholm.

## MEESCHAERT ROUSSELLE

...because on the newly opened Paris exchange, size means nothing without savoir-faire.

Let the specialized knowledge, comprehensive research resources, and sophisticated information systems of a long established market leader open the way to your investment success in France.

Meeschaert Rouselle, the Parisian partner for the discerning investors.

Meeschaert Rouselle  
 Member of the Paris Stock Exchange  
 16, Boulevard Haussmann 75009 Paris  
 Telephone / Telex: (1) 42 46 72 64 - Telex: 660 113

- Hilton International/Vista International Locations:  
 AUSTRALIA: Adelaide, Brisbane, Cairns, Melbourne, Perth, Sydney, Sydney Airport. AUSTRIA: Vienna. BARBADOES: Bridgetown. BELGIUM: Brussels. BRAZIL: Belo Horizonte, Rio de Janeiro, Sao Paulo (Sao Paulo Hilton and Brookline Sao Paulo). CANADA: Montreal (Bonnechere Hilton International/Montreal Airport/Conrad, Quebec City, Saint John (New Brunswick), Toronto (Hart House Castle), Toronto Airport, Windsor. COLOMBIA: Bogota, Cartagena. CYPRUS: Nicosia. EGYPT: Assuan/Luxor (Cruise Ships), Giza (The Hilton and Raffles Hilton). ETHIOPIA: Addis Ababa. FRANCE: Orly Airport (Paris), Paris, Strasbourg. GERMANY: Düsseldorf, Mainz, Munich. GREECE: Athens, Corfu. GUAM: Agaña. HOLLAND: Amsterdam, Rotterdam, Schiphol Airport (Amsterdam). HONG KONG: Victoria. HUNGARY: Budapest. INDONESIA: Jakarta. ISRAEL: Jerusalem, Tel Aviv. ITALY: Milan, Rome. IVORY COAST: Abidjan. JAPAN: Osaka, Tokyo. KENYA: Nairobi, Tsavo West (Lodge). KOREA: Seoul. KUWAIT: Madinat Nasr. MADAGASCAR: Antananarivo. MALAYSIA: Kuala Lumpur, Petaling Jaya. MALTA: Valletta. NIGERIA: Abuja. PAKISTAN: Lahore. PHILIPPINES: Manila. PUERTO RICO: Mayaguez, San Juan. SINGAPORE: SRI LANKA: Colombo. SWITZERLAND: Basel, Geneva, Zurich. TAIWAN: Taipei. THAILAND: Bangkok. TRINIDAD: Port-of-Spain. TUNISIA: Tunis. TURKEY: Istanbul. UNITED ARAB EMIRATES: Abu Dhabi, Al Ain, Dubai, Sharjah. UNITED KINGDOM: London (Park Lane and Kensington), Gatwick Airport. UNITED STATES: Honolulu (Kalia Hilton), Vasa International Hotels (operated by Hilton International) - Chicago (The Drake), Kansas City, New York, Pittsburgh, Washington, D.C. VENEZUELA: Barquisimeto, Caracas (Caracas Hilton International and Residencia Anaco) "Opening 1987". Hotels with Executive Floors noted in italics.







CURRENCY MARKETS

Dollar Off Slightly in Quiet Trading

NEW YORK — The dollar closed slightly lower Monday in quiet trading after failing to sustain marginal gains won in the Far East and Europe.

Despite heightened tension in the Gulf, where Iraqi jets attacked four Iranian-chartered tankers, the dollar was unable to breach 1.85 Deutsche marks and 147.50 Japanese yen, the upper limits of its recent ranges.

This prompted frustrated selling by holders of long positions at the end of the European day, which spilled over into the afternoon U.S. market, according to some dealers.

In New York, the dollar closed at 1.8395 DM, down from 1.8455 on Friday, and at 146.55 yen, down from 146.85.

It also closed at 1.5330 Swiss francs, down from 1.5385, and at 6.1225 French francs, down from 6.1425.

The dollar was also lower against the British pound, which closed at 1.6285, against \$1.6190.

There was nothing going on in the market today, said Earl Johnson, of Harris Bank in Chicago. The market is flat, and I don't think we'll see any major moves until we see the trade number.

Mr. Johnson was referring to the report on the U.S. August merchandise trade deficit, scheduled for release on Oct. 14. The July report showed the trade imbalance had widened to \$16.5 billion from \$15.7 billion in June.

The market expects "something in the \$13 billion-to-\$14 billion range," Mr. Johnson said. "I think \$14 billion would be neutral" for

London Dollar Rates

Table with columns: Country, Rate, % Chg. Includes Deutsche mark, French franc, Japanese yen, Swiss franc, British pound.

throughout the day most of the gains made at the opening. It closed at 1.8422 DM in London, slightly up from 1.8420 Friday, but down from 1.8479 at Monday's opening.

The dollar closed at 146.80 yen, up from 146.30 Friday, but also down from an opening 147.23.

The dollar also closed in London at 1.5350 Swiss francs, up from 1.5345, and at 6.1346 French francs, up from 6.1305.

The dollar was weaker, however, against the pound, which closed at \$1.6235, against \$1.6230 on Friday, but down from \$1.6285 at the opening.

Earlier in Europe, the dollar was fixed in Frankfurt at 1.8444 DM, up from 1.8408 Friday, and in Paris at 6.1360 French francs, up from 6.1280.

(UPI, Reuters)

U.S. Securities Offerings Rose in 3d Quarter

NEW YORK — Although rising interest rates made it more expensive to tap the U.S. bond market for capital in the third quarter, \$70.16 billion in stocks, bonds and other securities was issued, up 20 percent from \$58.46 billion a year earlier, according to IDD Information Services, which tracks new issues.

Spurred by the continuation of economic growth, the amount of debt securities issued by corporations in the quarter ended Sept. 30 rose 21.2 percent, to \$55.29 billion, from \$45.61 billion. And with stock market indexes hitting records in the quarter, common stock issues rose to \$10.2 billion, up 37.8 percent from \$7.4 billion a year ago.

At the same time, the rankings of leading underwriters, as measured by the dollar volume of issues for which they were the lead manager, changed. Salomon Brothers Inc., the leader in each of the first two quarters, dropped to second place, according to IDD.

Germans Advised To Shop More

FRANKFURT — Expanding West Germany's shopping hours would boost consumption and contribute to a reduction in international trade imbalances, Robert Heller, a governor of the U.S. Federal Reserve Board, has said in a German radio interview.

Mr. Heller told Hessischer Rundfunk radio over the weekend that allowing stores to remain open later on Saturday and on Sunday would increase imports. Stores close every weekday at 6:30 P.M. and at 2 P.M. on most Saturdays.

"The Germans have got the money... They just have to spend it more," the radio station quoted him as saying.

These issues have become pressing because of fears among some economists that inflation may be re-emerging, primarily because of higher oil prices and the cheaper dollar.

Mr. Heller told Hessischer Rundfunk radio over the weekend that allowing stores to remain open later on Saturday and on Sunday would increase imports. Stores close every weekday at 6:30 P.M. and at 2 P.M. on most Saturdays.

"The Germans have got the money... They just have to spend it more," the radio station quoted him as saying.

These issues have become pressing because of fears among some economists that inflation may be re-emerging, primarily because of higher oil prices and the cheaper dollar.

Mr. Heller told Hessischer Rundfunk radio over the weekend that allowing stores to remain open later on Saturday and on Sunday would increase imports. Stores close every weekday at 6:30 P.M. and at 2 P.M. on most Saturdays.

(UPI, Reuters)

Kuwait Airways Staff Is Cut to Reduce Costs

KUWAIT — Kuwait Airways Corp. has dismissed about 350 of its 6,000 employees to cut costs, the national airline's managing director, Ahmed al-Mishari, said in the newspaper Arab Times.

He said the move was made to help the airline cope with difficult market conditions in the region.

RATES: U.S. Insulation

(Continued from first finance page)

companies have made so-called interest-rate swaps to convert their variable-rate loans into fixed-rate, long-term credits. Such arrangements usually are made with foreign banks that find it cheaper to raise fixed-rate debt while preferring floating-rate debt because of holding short-term deposits.

The prospect of higher rates in this environment raises questions about the impact on consumers and businesses alike: If rates on adjustable-rate mortgages were to rise sharply, would many people lose their homes? Would that cause a spate of forced sales that would force down real estate values?

Would that, in turn, cause problems with the increasingly popular home equity loans that are based on current real estate values? And would businesses caught in the spiral start to go bankrupt?

These issues have become pressing because of fears among some economists that inflation may be re-emerging, primarily because of higher oil prices and the cheaper dollar.

Mr. Heller told Hessischer Rundfunk radio over the weekend that allowing stores to remain open later on Saturday and on Sunday would increase imports. Stores close every weekday at 6:30 P.M. and at 2 P.M. on most Saturdays.

"The Germans have got the money... They just have to spend it more," the radio station quoted him as saying.

These issues have become pressing because of fears among some economists that inflation may be re-emerging, primarily because of higher oil prices and the cheaper dollar.

(UPI, Reuters)

Those of us who are inclined in the direction, as I am, of tearing down this wall also have to be in a position that by so doing, we are not... allowing these investment banking powers to be financed by federal guarantees.

WASHINGTON — Alan Greenspan, the chairman of the Federal Reserve Board, said Monday that banks should be allowed to expand into securities activities but should be forbidden to apply federal insurance and borrowing advantages to these fields.

Mr. Greenspan, in his first appearance before Congress as head of the central bank, said legislators should proceed cautiously in repealing the 1933 Glass-Steagall Act, which keeps banks from engaging in most forms of securities underwriting.

"One has to be very careful when one evaluates changes of fundamental institutional structures that have prevailed for more than a generation," Mr. Greenspan told the House Commerce Committee's subcommittee on telecommunications and finance.

In particular, he said, Congress must ensure that banks do not gain a competitive advantage over other financial services companies because they can borrow money at below-market rates from the Fed and have federal insurance on their deposit accounts.

"Those of us who are inclined in the direction, as I am, of tearing down this wall," meaning Glass-Steagall, "also have to be in a position that by so doing, we are not in effect, allowing these investment banking powers to be financed by federal guarantees," he said.

Mr. Greenspan said that the Fed is investigating ways of ensuring separation of this so-called federal safety net from a bank's securities

Greenspan Urges Banks Be Allowed To Expand Into Securities Trading

activities including requiring all nonbanking activities to be conducted by subsidiaries.

But he said the Fed will not have its recommendations ready for Congress for several weeks.

He called on Congress to act soon to change Glass-Steagall and

as part of a bill building out the Federal Savings & Loan Insurance Corp. this summer, Congress placed a moratorium on further deregulation of banking until next March.

Mr. Greenspan, never an advocate of the moratorium, told the subcommittee that extending it would damage the U.S. financial community by forcing it to face changes while bearing the burdens of old regulations.

Mr. Greenspan also said that extraordinary size in banks was not essential to be successful in international competition.

He said many banks in countries other than the United States compete successfully with significantly smaller assets than those of American banks.

He also said that he was satisfied that the U.S. banking system was stable.

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

(UPI, Reuters)

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Estimates of Brunei Oil, Gas Reserves Up Sharply

BANDAR SERI BEGAWAN, Brunei — Estimates of Brunei's oil and gas reserves have been revised sharply upward, the U.S. Embassy said Monday in its annual petroleum report.

The report quoted a survey by Brunei Shell Petroleum, the country's sole producer, as saying that proven oil reserves contained an estimated 1.6 billion barrels in January 1986, up from the estimated 934 million barrels of a year earlier. Gas reserves were estimated at 12 trillion cubic feet, up from 8.4 trillion cubic feet.

The report said the increases were caused in part by a change in the way reserves are estimated.

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

(UPI, Reuters)

Estimates of Brunei Oil, Gas Reserves Up Sharply

BANDAR SERI BEGAWAN, Brunei — Estimates of Brunei's oil and gas reserves have been revised sharply upward, the U.S. Embassy said Monday in its annual petroleum report.

The report quoted a survey by Brunei Shell Petroleum, the country's sole producer, as saying that proven oil reserves contained an estimated 1.6 billion barrels in January 1986, up from the estimated 934 million barrels of a year earlier. Gas reserves were estimated at 12 trillion cubic feet, up from 8.4 trillion cubic feet.

The report said the increases were caused in part by a change in the way reserves are estimated.

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Estimates of Brunei Oil, Gas Reserves Up Sharply

BANDAR SERI BEGAWAN, Brunei — Estimates of Brunei's oil and gas reserves have been revised sharply upward, the U.S. Embassy said Monday in its annual petroleum report.

The report quoted a survey by Brunei Shell Petroleum, the country's sole producer, as saying that proven oil reserves contained an estimated 1.6 billion barrels in January 1986, up from the estimated 934 million barrels of a year earlier. Gas reserves were estimated at 12 trillion cubic feet, up from 8.4 trillion cubic feet.

The report said the increases were caused in part by a change in the way reserves are estimated.

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

(UPI, Reuters)

Estimates of Brunei Oil, Gas Reserves Up Sharply

BANDAR SERI BEGAWAN, Brunei — Estimates of Brunei's oil and gas reserves have been revised sharply upward, the U.S. Embassy said Monday in its annual petroleum report.

The report quoted a survey by Brunei Shell Petroleum, the country's sole producer, as saying that proven oil reserves contained an estimated 1.6 billion barrels in January 1986, up from the estimated 934 million barrels of a year earlier. Gas reserves were estimated at 12 trillion cubic feet, up from 8.4 trillion cubic feet.

The report said the increases were caused in part by a change in the way reserves are estimated.

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Estimates of Brunei Oil, Gas Reserves Up Sharply

BANDAR SERI BEGAWAN, Brunei — Estimates of Brunei's oil and gas reserves have been revised sharply upward, the U.S. Embassy said Monday in its annual petroleum report.

The report quoted a survey by Brunei Shell Petroleum, the country's sole producer, as saying that proven oil reserves contained an estimated 1.6 billion barrels in January 1986, up from the estimated 934 million barrels of a year earlier. Gas reserves were estimated at 12 trillion cubic feet, up from 8.4 trillion cubic feet.

The report said the increases were caused in part by a change in the way reserves are estimated.

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

(UPI, Reuters)

Estimates of Brunei Oil, Gas Reserves Up Sharply

BANDAR SERI BEGAWAN, Brunei — Estimates of Brunei's oil and gas reserves have been revised sharply upward, the U.S. Embassy said Monday in its annual petroleum report.

The report quoted a survey by Brunei Shell Petroleum, the country's sole producer, as saying that proven oil reserves contained an estimated 1.6 billion barrels in January 1986, up from the estimated 934 million barrels of a year earlier. Gas reserves were estimated at 12 trillion cubic feet, up from 8.4 trillion cubic feet.

The report said the increases were caused in part by a change in the way reserves are estimated.

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."

Asked at the hearing about instability in investment banking, Mr. Greenspan replied, "It doesn't bother me."







Handwritten signature or scribble at the top of the page.

SPORTS

Ersatz NFL Teams Off to Shaky Start Afield, at Gate

Compiled by Our Staff From Dispatches
NEW YORK — There was enough good, mediocre and bad football for a marathon showing of "Football Follies."

In Seattle, a gathering of 19,448 saw quarterback Bruce Mathison throw for 326 yards and two touchdowns as the Seahawks got past Miami, 24-20.

coach, it wasn't how the game was played — there were five turnovers in the second quarter alone.

Los Angeles, Ken Lacy, a former USFL player called in by Kansas City, fumbled twice in first-and-goal situations on the Los Angeles 1-yard-line; the Raiders recovered both times and went on to rout the Chiefs, 35-17.

NFL management, predictably saw a silver lining in the day's proceedings, while the union called them a sham.

PRO FOOTBALL

coach, Sam Wyche, after his Bengals fell to San Diego, 10-9, in a game whose first eight plays saw three fumbles.

In most places, the crowds were hardly crowded, spectators being deterred by pickets or the prospect of a team football.

The biggest producer among the picket-line crossers was Gary Hogeboom of Indianapolis, who threw five scoring passes in a 47-6 rout of Buffalo.

Maybe we had an advantage in that not any of our guys came in, said Coach Joe Gibbon of the Cardinals, who had eight veterans suited up.

Maybe we had an advantage in that not any of our guys came in, said Coach Joe Gibbon of the Cardinals, who had eight veterans suited up.

The Octopus Legend Goes On

By George Vecsey
New York Times Service

DETROIT — The Blue Jays are dead, as dead as the octopus that came hurrying out of the upper deck and landed near the Toronto dugout during Sunday's seventh inning.

According to local historians, octopus-throwing dates back to the 1952 Stanley Cup playoffs, when the Red Wings were winning eight straight games.

Before the finale, the Blue Jays gathered around the batting cage looking like a group of assorted players bugged, wrestled, teased, talked, jostled and dined with the brooding slugger.

The Tigers survived this premature celebration to win the American League's Eastern Division title with a 1-0 victory.

The Tigers put the Blue Jays on ice by not letting George Bell beat them. The slumping star did manage a leadoff single on Sunday, but was intentionally walked the next time and filed out harmlessly his

With both Tony Fernandez and Eric Wright out with injuries, Bell had been seeing even fewer good pitches than usual — and had been lunging at whatever was thrown his way.

The Tigers put the Blue Jays on ice by not letting George Bell beat them. The slumping star did manage a leadoff single on Sunday, but was intentionally walked the next time and filed out harmlessly his

The scene was ugly, with burning cars and flying bottles and roving bands of so-called fans, mostly, it seemed, from the outlying neighborhoods and suburbs.

The scene was ugly, with burning cars and flying bottles and roving bands of so-called fans, mostly, it seemed, from the outlying neighborhoods and suburbs.



Toronto slugger George Bell: Fewer good pitches than usual.

Giants Finish With a Bang

United Press International

SAN FRANCISCO — Bob Brenly's 10th-inning home run gave the Western Division champion San Francisco Giants a 5-4 victory over Atlanta in Sunday's regular-season finale.

Atlanta, Angels 6: In the American League, in Anaheim, California, Joe Carter drove in four runs with his 32d homer and a single to power Cleveland.

Randy Beckus, 1-0, the last of five San Francisco pitchers, worked a hitless tenth for his first major-league victory.

Atlanta, Angels 6: In the American League, in Anaheim, California, Joe Carter drove in four runs with his 32d homer and a single to power Cleveland.

Diogo, Steve Sac's homer ignited a three-run first that lifted Los Angeles. The Padres' Tony Gwynn, with a walk in his only

Atlanta, Angels 6: In the American League, in Anaheim, California, Joe Carter drove in four runs with his 32d homer and a single to power Cleveland.

SCOREBOARD

Baseball

Final 1987 Major League Leaders

Table showing batting averages, home runs, and RBIs for various players across different leagues.

Major League Standings

Table showing the standings for the American League and National League, including wins, losses, and percentages.

Postseason Schedule

Table detailing the schedule for the American League Championship Series and National League Championship Series.

World Series

Table detailing the schedule for the World Series between the American League and National League champions.

Tennis

Davis Cup

WORLD GROUP SEMIFINALS
Sweden 5, Spain 2

After heavy rains had caused a postponement Sunday, Edberg needed just over two hours to beat Sanchez.

Football

NFL Standings

Table showing the standings for the American Football Conference and National Football Conference.

CFL Standings

Table showing the standings for the Canadian Football League.

Sweden Advances to 5th Straight Davis Cup Final

The Associated Press
BARCELONA — Stefan Edberg defeated Spaniard Emilio Sanchez, 6-4, 6-4, Monday to clinch the Davis Cup semifinal for Sweden.

The victory gave Sweden an unbeatable 3-1 and put it into the cup final for the fifth straight time.

After heavy rains had caused a postponement Sunday, Edberg needed just over two hours to beat Sanchez.

Sweden's record in finals is 3-2, having also lost West Germany in 1985. It lost to Australia in 1965 and 1967.

Sweden's record in finals is 3-2, having also lost West Germany in 1985. It lost to Australia in 1965 and 1967.

Sweden's record in finals is 3-2, having also lost West Germany in 1985. It lost to Australia in 1965 and 1967.

Sweden's record in finals is 3-2, having also lost West Germany in 1985. It lost to Australia in 1965 and 1967.

Sweden's record in finals is 3-2, having also lost West Germany in 1985. It lost to Australia in 1965 and 1967.

Sweden's record in finals is 3-2, having also lost West Germany in 1985. It lost to Australia in 1965 and 1967.

Sweden's record in finals is 3-2, having also lost West Germany in 1985. It lost to Australia in 1965 and 1967.

Sweden's record in finals is 3-2, having also lost West Germany in 1985. It lost to Australia in 1965 and 1967.

Sweden's record in finals is 3-2, having also lost West Germany in 1985. It lost to Australia in 1965 and 1967.

Sweden's record in finals is 3-2, having also lost West Germany in 1985. It lost to Australia in 1965 and 1967.

Sweden's record in finals is 3-2, having also lost West Germany in 1985. It lost to Australia in 1965 and 1967.

Sweden's record in finals is 3-2, having also lost West Germany in 1985. It lost to Australia in 1965 and 1967.

Sweden's record in finals is 3-2, having also lost West Germany in 1985. It lost to Australia in 1965 and 1967.

Sweden's record in finals is 3-2, having also lost West Germany in 1985. It lost to Australia in 1965 and 1967.

Sweden's record in finals is 3-2, having also lost West Germany in 1985. It lost to Australia in 1965 and 1967.

Sweden's record in finals is 3-2, having also lost West Germany in 1985. It lost to Australia in 1965 and 1967.

Sweden's record in finals is 3-2, having also lost West Germany in 1985. It lost to Australia in 1965 and 1967.

Sweden's record in finals is 3-2, having also lost West Germany in 1985. It lost to Australia in 1965 and 1967.

Sweden's record in finals is 3-2, having also lost West Germany in 1985. It lost to Australia in 1965 and 1967.

Sweden's record in finals is 3-2, having also lost West Germany in 1985. It lost to Australia in 1965 and 1967.

Sweden's record in finals is 3-2, having also lost West Germany in 1985. It lost to Australia in 1965 and 1967.

Sweden's record in finals is 3-2, having also lost West Germany in 1985. It lost to Australia in 1965 and 1967.

Sweden's record in finals is 3-2, having also lost West Germany in 1985. It lost to Australia in 1965 and 1967.

Sweden's record in finals is 3-2, having also lost West Germany in 1985. It lost to Australia in 1965 and 1967.

Sweden's record in finals is 3-2, having also lost West Germany in 1985. It lost to Australia in 1965 and 1967.

Sweden's record in finals is 3-2, having also lost West Germany in 1985. It lost to Australia in 1965 and 1967.

Sweden's record in finals is 3-2, having also lost West Germany in 1985. It lost to Australia in 1965 and 1967.

Sweden's record in finals is 3-2, having also lost West Germany in 1985. It lost to Australia in 1965 and 1967.

Sweden's record in finals is 3-2, having also lost West Germany in 1985. It lost to Australia in 1965 and 1967.



Stefan Edberg, a straight-sets winner over Emilio Sanchez.

A Golfer-Theologian's Book of Uncommon Prayer

The Associated Press
OMAHA, Nebraska — A theology professor says his book of golf prayers won't lead to lower scores, but merely makes a humbly jesting request that God "deliver us from all bogeys."

Michael G. Lawler, a Creighton University professor, native of Scotland and golf fanatic, composed 19 prayers — one for each hole, including the 19th.

Lawler combined the prayers with photographs of golf courses from around the world in "From Tee to Green," a booklet that sold out in its first run this summer and is now in its second printing.

"It's not a 'Golf with Lawler' book that will improve your short game or line up your putts for you," said Lawler, a 14-handicap-

per who has played the game on four continents. "It's meant to be a fun, serious book."

Lawler, a Roman Catholic layman who is dean of the Creighton's graduate school, wrote four theology books before he got the idea for the golf book from a friend who said there ought to be golf prayers "because it's such a damned hard thing to do."

The prayers, set in the context of a golfer making his way around the course, are entreaties to the deity with moods ranging from despair and resignation to elation and whimsy.

"We praise You for the birdies You have made to fly, and beg of You more birdies that are made to drop," Lawler writes in his "Prayer of Thanks and Praise" for the second hole. "Deliver us

from all bogeys, double or simply single, Amen."

On the back nine, Lawler muses on sand traps in his "Prayer in Selective Praise of Creation."

"I confess I love Your sand-creation on the beach, but I hate it on the golf course. Move me, I pray You, to love You always, even on those occasions when I hate Your creation, as I do now deep in this pot-belly bunker on 11."

Lawler writes in his introduction that when he was younger he regarded creation as something God did ages ago and that he has come to realize that "the creator is very much here and now" in something even as seemingly meaningless as the game of golf.

Lawler said he gave a copy of "From Tee to Green" to PGA tour member Hal Sutton after they played in a pro-am event in Tennessee. He wants to send a copy to Ben Crenshaw, who once bought him a pint of beer after a round of golf at Glenleaigh, in Scotland.

Asked if he believed God had a special reason to create golf for his homeland, Lawler grinned and said, "She had to. That's such magnificent countryside — what else could you do but turn it into golf courses?"

Lawler, 53, was born near Troon, Scotland, where the British Open has been played often. He took up the sport at 10 and these days plays about twice a week.

His book is for all golfers, but "the real truth might be that I aimed it at me, because of my passion," he said.

Lawler said he gave a copy of "From Tee to Green" to PGA tour member Hal Sutton after they played in a pro-am event in Tennessee. He wants to send a copy to Ben Crenshaw, who once bought him a pint of beer after a round of golf at Glenleaigh, in Scotland.

Asked if he believed God had a special reason to create golf for his homeland, Lawler grinned and said, "She had to. That's such magnificent countryside — what else could you do but turn it into golf courses?"

Lawler, 53, was born near Troon, Scotland, where the British Open has been played often. He took up the sport at 10 and these days plays about twice a week.

His book is for all golfers, but "the real truth might be that I aimed it at me, because of my passion," he said.



ART BUCHWALD

Repeat Performance

WASHINGTON — My friend Senator Bearman has decided not to run for president. "Did he have anything to do with your submitting one of Judge Oliver Wendell Holmes' opinions to the Reader's Digest last week as your own?" I asked him.



Buchwald

"Holmes is dead. Do you think it matters to him who gets credit for something he wrote?" "Right, Senator. But your opponents say you've done things like this since law school."

Paris Salon to Feature American Cowboy Art

OKLAHOMA CITY — The National Cowboy Hall of Fame and Western Heritage Center will represent the United States as the "invited nation" at the annual Salon d'Automne art exhibition in Paris, center officials say.

The 'Eyes' of Elena Sofonova

By Felicity Barringer New York Times Service

MOSCOW — Elena Sofonova does it all with her eyes. She suffers with them, smites with them, searches with them — now for love, now simply for self-respect.

For her last two films, first the 1985 Soviet film "Winter Cherries" and now the widely admired Italian-Soviet offering, "Oci gornie" ("Dark Eyes"), she has given her way to evoke eloquently and almost silently the emotions of a charming and charismatic woman who wants something more out of life than charm.

It is this determination that makes her a poignant and yet occasionally comic foil as the woman in a man's movie. For "Dark Eyes," directed by the Soviet director Nikita Mikhalkov, is largely a vehicle for Marcello Mastroianni, As Romano — the aging ladies' man who has put self-centeredness on cruise control — he seeks out Sofonova in a small northern Russian town to renew their adulterous affair.



Sofonova in "Dark Eyes": "Love is understandable anywhere in the world."

I just played myself. Later I found this was less interesting and I tried to incorporate things I saw around me. One character was anxious, nervous. Then, for the next role, I transformed into a modern type, an ascetic. Wherever you work, you have to use what you see around you."

Sofonova's biggest success came two years ago with the starring role in "Winter Cherries," in which she plays a divorced mother struggling to reconcile her desire for love and her desire for independence.

Fosse's Dinner Party

Bob Fosse left \$25,000 in his will so that more than 50 friends could "have dinner on me," and the choreographer and director also left \$100,000 to establish a Bob Fosse Theater Scholarship "to provide financial assistance to deserving individuals for their education and training in the theater."

The Supreme Court Monday refused to allow publication of an unauthorized biography of J.D. Salinger that includes quotations from letters the novelist wrote. The justices, without comment, let stand a federal appeals court ruling that publication of "J.D. Salinger: A Writing Life" by Random House would violate federal copyright law.

South African newspapers and Britain's Mail on Sunday are in a media war over a bizarre surrogate motherhood case in which a grandmother gave birth to triplets on behalf of her daughter in Johannesburg.

CONGRATULATIONS and BIRTHDAY MESSAGE CENTER. HAPPY BIRTHDAY, TAMM. All my love to you & Steven, Marco.

ANNOUNCEMENTS. LISTENING VOLUNTEERS NEEDED FOR SOS HELP. English speaking Paris based phone center...

MOVING. ALLIED WORLDWIDE MOVING. PARIS: (1) 43 43 23 64. NICE: 93 21 35 72.

REAL ESTATE FOR SALE. FRENCH PROVINCES. REAL ESTATE TO RENT/SHARE. ITALY. MAINTAIN VILLA with garden, spectacular view of Florence...

REAL ESTATE TO RENT/SHARE. PARIS AREA FURNISHED. FUCH IN TOWN HOUSE. Living & 2 bedrooms, FF7000.

REAL ESTATE TO RENT/SHARE. PARIS AREA FURNISHED. RUE DE LA POMPE. 85 sqm, new living, 2 bedrooms, balcony...

REAL ESTATE TO RENT/SHARE. PARIS AREA FURNISHED. CHAMPS ELYSEES, double living & bedrooms, balcony, parquet, FF9000.

REAL ESTATE TO RENT/SHARE. PARIS AREA UNFURNISHED. PARIS AREA UNFURNISHED. PARIS 16th NEAR AVE FOCH, beautiful studio, equipped kitchen, central heating...

We celebrate 125th AUSTRIAN NATIONAL LOTTERY JACKPOTS. US \$ 3,200,000 US \$ 1,600,000. Only 110,000 tickets participate in weekly drawings starting 9th Nov. 87-21st April 88.

MOVING. ALLIED WORLDWIDE MOVING. PARIS: (1) 43 43 23 64. NICE: 93 21 35 72.

REAL ESTATE FOR SALE. FRENCH PROVINCES. REAL ESTATE TO RENT/SHARE. ITALY. MAINTAIN VILLA with garden, spectacular view of Florence...

REAL ESTATE TO RENT/SHARE. PARIS AREA FURNISHED. FUCH IN TOWN HOUSE. Living & 2 bedrooms, FF7000.

REAL ESTATE TO RENT/SHARE. PARIS AREA FURNISHED. RUE DE LA POMPE. 85 sqm, new living, 2 bedrooms, balcony...

REAL ESTATE TO RENT/SHARE. PARIS AREA FURNISHED. CHAMPS ELYSEES, double living & bedrooms, balcony, parquet, FF9000.

REAL ESTATE TO RENT/SHARE. PARIS AREA UNFURNISHED. PARIS AREA UNFURNISHED. PARIS 16th NEAR AVE FOCH, beautiful studio, equipped kitchen, central heating...

INTERNATIONAL CLASSIFIED

REAL ESTATE TO RENT/SHARE. PARIS AREA FURNISHED. FUCH IN TOWN HOUSE. Living & 2 bedrooms, FF7000.

International Business Message Center. ATTENTION EXECUTIVES. BUSINESS OPPORTUNITIES. SWITZERLAND. FINANCIAL SERVICES. DIAMONDS. OFFICE SERVICES. YOUR BURNISHED OFFICE. INTERNATIONAL OFFSHORE COMPANY INCORPORATIONS. BUSINESS SERVICES. NIGHT VISION-ELECTRO OPTICS. MONEY EXCHANGE.

REAL ESTATE TO RENT/SHARE. PARIS AREA UNFURNISHED. PARIS AREA UNFURNISHED. PARIS 16th NEAR AVE FOCH, beautiful studio, equipped kitchen, central heating...

International Secretarial Positions. SECRETARIAL POSITIONS AVAILABLE. Large Service Company. SECRETARY. DIVISIONAL MANAGER. SECRETARIAL ASSISTANT. ENGLISH MOTHER TONGUE SECRETARIES. GR INTERIM. INTERNATIONAL STRATEGIC CONSULTANTS SEEK. BILINGUAL SECRETARY. PLUS INTERNATIONAL. BILINGUAL SECRETARY. NEED A BILINGUAL SECRETARY? SENIOR EXECUTIVE SECRETARY. Senior executive secretary bilingual - french/english.

Senior executive secretary bilingual - french/english. (English mother tongue or equivalent). For the President & General Manager. Excellent presentation. Minimum of 2-3 years experience at similar level in an international company.

Vertical text on the right edge of the page, including 'Kiosk' and other small notices.